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TODAY:  
STYLE  
Sweater Women Page 11

## 'GREAT AND WIDE DANGER'

### Tehran Warns Afghans To Correct 'Past Errors'

**Iranian Military Poised to Strike**

By Douglas Jehl  
New York Times Service

TEHRAN — Iran's supreme leader issued a stern and unmistakable warning on Monday that his country might intervene with military force in Afghanistan unless the militant Taliban movement in power there makes amends for "past errors" and adopts a more conciliatory course.

"I have so far prevented the lighting of a fire in this region which would be hard to extinguish," the supreme leader, Ayatollah Sayed Ali Khamenei, said in a solemn statement broadcast by the Iranian media.

"But all should know that a very great and wide danger is quite near."

The Iranian Army command quickly followed with a statement announcing that its 500,000-strong force was at "full preparedness to implement the leader's orders and to conduct any mission anywhere and under any conditions."

After more than a month of tension inflamed by the killing of at least nine Iranian diplomats in Afghanistan, the warning appeared intended to send a message that Iran's patience with the Taliban was wearing precariously thin. Iran has built up its military forces along the Afghan border and has appealed in vain for international help in reining in what it has portrayed as the Taliban's increasingly bloody military advances.

Iran has insisted that it will not

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**Iraqis Threaten UN on Inspections**

By Barbara Crossette  
New York Times Service

UNITED NATIONS, New York — The Iraqi Parliament, which diplomats often consider an advance-warning system on government policy, threatened Monday to stop all remaining cooperation with the United Nations arms inspection system.

In a vote after a long session in Baghdad, the 250-member National Assembly, dominated by President Saddam Hussein's Baath Party, de-

mandated that the Security Council reverse its decision last week to stop all future sanctions reviews until Iraq allows

on-site inspections to resume. Without sanctions reviews, Iraq can never hope to escape from an embargo imposed in 1990 after its invasion of Kuwait.

If the Security Council does not resume reviews, the speaker of the Parliament said in a statement, after the session, the assembly would ask the government "to cut all relations with the United Nations Special Commission and not cooperate with it in any way."

In making its latest threat, Iraq has moved a step closer to withdrawing itself from the scrutiny of international inspections, a calculated process that has been going on for more than a year.

Without inspections, the Special Commission, known as UNSCOM, and

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## Clinton Calls for Urgent World Meeting To Face 'Biggest Financial Challenge'

**U.S. Has 'Obligation to Lead'**

By Brian Knowlton  
International Herald Tribune

WASHINGTON — President Bill Clinton called Monday for an urgent meeting of the leading industrial nations to devise a strategy to encourage global growth, saying that the economic crisis that began last year in Asia was the "biggest financial challenge facing the world in a half century."

He said the United States would convene, within 30 days, a meeting of finance ministers from major countries to "recommend ways to adapt the international financial architecture to the 21st century."

Mr. Clinton also hinted strongly that he favored a lowering of interest rates. While saying that the United States was enjoying "unprecedented economic strength," he repeated a warning from the Federal Reserve Board chairman, Alan Greenspan, that the country could not forever remain "an oasis of prosperity" in an expanding desert of turmoil.

Mr. Clinton's comments appeared designed to emphasize the importance of U.S. economic leadership — and by implication, to assert that he himself remains a confident and capable leader, despite his political woes at home — at a time of heightened worries about the economic crisis that has spread from Asia to Latin America and Russia.

"The United States has an inescapable obligation to lead," he said, "and to lead in a way that is consistent with our values, and to see that what we are doing helps to lift the lives of people all around the world."

Speaking in New York, he also called for the International Monetary Fund to stand ready to use a \$15 billion emergency fund to prevent the economic

crisis from spreading to Latin America. He repeated his earlier calls on Congress to approve an increase in the U.S. contribution to the IMF.

Financial markets barely reacted to Mr. Clinton's speech, the broad outlines of which were known in advance. The Dow Jones industrial average of leading stocks hovered around a gain of 200 points throughout Mr. Clinton's address to the Council on Foreign Relations.

At least part of the Dow's gain, however, was apparently fueled by relief among investors that Mr. Clinton's political fortunes had not been damaged even more critically by the release Friday of the Kenneth Starr report, which sets out

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## Stocks Rise On Feeling That Clinton Will Survive

By Mitchell Martin  
International Herald Tribune

NEW YORK — Stocks around the world staged a powerful advance on Monday, extending the rally that began Friday as the chances faded that President Bill Clinton would face impeachment.

The Dow Jones industrial average, which rose almost 180 points on Friday, added 143 points, or 1.3 percent, in late trading on Monday. Earlier, European stock indexes recorded rises of about 3 percent, following milder gains in Asia, with all major markets benefiting from the easing of U.S. tensions.

On Wall Street, the feeling was that because the report by the independent counsel, Kenneth Starr, did not contain any charges beyond those relating to Mr. Clinton's affair with Monica Lewinsky, there would not be a leadership crisis.

With that worry removed, stock prices began to look like bargains at their recently depressed levels.

"The feeling today is one of some sense of relief that the administration may be back to addressing the real affairs of the nation," said Alan Ackerman, executive vice president of Farnsworth & Co. "What the market is telling us today is that there's hope that matters regarding President Clinton may be resolved quickly rather than over a long period of time."

Mr. Clinton was in New York on Monday, where he addressed the Council on Foreign Relations, introducing a six-point plan to ameliorate international financial crises of the kind that have been affecting developing economies for the past year.

Most of the elements of his plan were extensions of previously articulated policies, but he did announce that he had asked the Federal Reserve Board chairman, Alan Greenspan, and the Treasury secretary, Robert Rubin, to convene a meeting among their counterparts from 30 countries, including the Group of Seven industrial nations, to develop a report for heads of state "on strengthening the current financial system so countries can benefit from the free flow of capital."

Mr. Greenspan and Mr. Rubin are respected on Wall Street, and the perception that they would be taking leading roles in calming economic turmoil was another positive for stocks, Mr. Ackerman said.

For the longer-term, however, the picture is clouded by perceptions that Mr. Clinton's authority has been weakened by "the appalling details" of the president's "indiscretions," according to Marvin Zonis, an international political economist based in Chicago.

Mr. Zonis, writing to clients over the weekend, said it was "unlikely" that the president would persuade Republicans to support new American initiatives. Mr. Zonis contended that "the world

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## A Palatable Outcome? Clinton's Team Looking at Censure

By Richard L. Berke  
New York Times Service

WASHINGTON — Beneath the public vitriol at the White House about Kenneth Starr's "hit-and-run smear campaign," President Bill Clinton's supporters and advisers are moving toward a consensus that Congress will accept nothing less than a censure of the president.

Few advisers to Mr. Clinton say they think he can escape the Monica Lewinsky scandal without some sort of punishment. They argue that censure — a formal rebuke with no tangible consequences — might be the most politically palatable course.

It would, they contend, satisfy the competing demands of Americans who — judging by polls conducted over the weekend — think Mr. Clinton should be rebuked but also want the option to move beyond the scandal. But the advisers' fundamental interest in this option is that it would spare the president from impeachment proceedings that could force him from office.

There are no signs that censure holds any appeal to Republicans — now.

In the short term, an unresolved scandal appears to be a Republican asset for fall elections. They see no reason to hurry, especially with public reaction still forming and 37 boxes of evidence still sealed.

Adding to the uncertainty is that the House Judiciary Committee, which would take up an impeachment inquiry, is not known for compromise. It is perhaps the most polarized committee in the House, and it lacks a core of moderates that helped the panel function smoothly during the Watergate hearings.

Still, given that in this scandal the political dynamics are often confounding and always shifting, Republicans concede that an accommodation over a punishment short of impeachment is possible in the longer term.

That could happen if Republicans feel intense pressure from their constituents that the country must move beyond the Lewinsky matter, or if Democrats successfully frame the drive for impeachment as a partisan witch hunt.

For now, though, Democrats do not see any easy way out, and Republicans are enjoying their discomfort as they navigate between voters who think the Lewinsky scandal is overblown and those who are appalled by Mr. Clinton's conduct.

Representative Elijah Cummings, Democrat of Maryland, a member of the Congressional Black Caucus, said that "censure is a possibility." He explained: "My constituents are in a bind. They hate the president's conduct, but they love him."

Republicans are in no hurry. "It's not our problem, and the Republicans shouldn't feel a big need to settle this," said Scott Reed, a former executive director of the Republican Party who ran Bob

Dole's unsuccessful campaign against Mr. Clinton in 1996. "The climate is great in the House races, the Senate races and most of the governors' races. For them, censure is the easy way out."

One reason Republicans say they are reluctant to entertain the censure idea is that they are not about to prematurely halt an impeachment inquiry before the public has a chance to fully digest Mr. Starr's report — and given the possibility of new revelations coming from the independent counsel.

"To make some quick, interim judgment would short-circuit the process," said Representative Michael Forbes, Republican of New York. "That doesn't seem to be an option."

A well-connected lobbyist with extensive contacts on Capitol Hill and in the White House, said, "People on the Hill are just deathly afraid of giving him a break on censure and then finding out something else."

The lobbyist also said there was some nervous-

Meanwhile, on Planet Gore: Vice president sticks to issues and avoids the scandal. Page 3.

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## Familiar German Refrain: Can Kohl Do It Again?

By John Vinocur  
International Herald Tribune

OLDENBURG, Germany — Leaning forward to pick up a shiver of despair in the chancellor's speech, a resigned shrug, or maybe even a willful irony that could lighten what has resembled a gathering defeat, the onlooker and listener gets nothing. Not a grace note.

If he is going down, Helmut Kohl, on campaign, refuses to sink out a loser.

His voice rises over the audience of 2,000 or 3,000 people that have very much less than packed the Schlossplatz in this traditionally Christian Democratic town west of Bremen in Lower Saxony, the home state of Gerhard Schröder, Mr. Kohl's Social Democratic challenger in the Sept. 27 election. Listen to yourselves, he tells them. You are the specialists, he says, you are the people of Germany, you decide. You know where Germany has come in the last 30 years, its fine reputation, its unity, its sense of peace. And you know Schröder, you know the Social Demo-

crats, and you know Oskar Lafontaine, the party chairman. Compare. Decide.

The voice is almost flat, de-dramatized in its effort at sincerity, and it conveys, rhetorical light years from his tritonic, what can only seem like a confession of faith.

"I cannot believe," he says, with as much contempt for his foes as confidence in his Germany, "that they should take over the future of our country."

Perhaps it is just this straightforward North German town, about as fanciful as a padlock, but the line gets nothing beyond reflex applause. Despite the chancellor's disbelief, and near revulsion, the idea of Mr. Schröder and Mr. Lafontaine winning, the idea the country could actually detach itself from its reigning symbol of achievement and tranquillity, creates no visible cringing here.

For years, Germans told opinion researchers that if there was one country they would want theirs to be like, it was Switzerland. Now, after 16 years in power and vast accomplishments in power and the Cold War to an end, Mr. Kohl is fighting for re-election against the sense of oomph he so often insisted was Germany's right. His call to history, his call to memory, his reminders from the podium of Russia's instability and the world's financial crisis, his references to what Mr. Schröder and Mr. Lafontaine have stood against, seem to dissolve softly, words in the breeze, in this town that may be now psychically closer to a town in Switzerland than to the Dutch border less than an hour away.

Last week, Mr. Kohl's dismissal of the polls that unanimously showed the Social Democrats a clear winner in the Sept. 27 election juxtaposed against the

## Home Run Derby: Suddenly, a Crowd at 62



Sammy Sosa, after hitting his 62nd homer this season.

By Bill Dedman  
New York Times Service

CHICAGO — Roger Maris's children were not in the stands Sunday at Wrigley Field. The commissioner couldn't make it. The official National League baseballs bore no infrared markings. And the only nationwide live broadcast of the game was in the Dominican Republic.

Someone forgot to tell Sammy Sosa that the home run race was over.

With his 61st and 62nd home runs on the same afternoon, the Dominican slugger for the Chicago Cubs moved even with Mark McGwire of the St. Louis Cardinals, who went 0-for-2 on Sunday night against the Houston Astros before leaving the game after four innings with back spasms.

The tortoise has caught the hare.

So the 37-year-old record for most home runs in a single season has been passed twice in less than a week. The name next to the new mark in baseball's record book will be decided over the next two weeks by the friendly competitors, McGwire and Sosa. One, a college-educated, white son of a dentist from California, has had all the attention. The other, an uneducated, black man whose first baseball glove was made

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## AGENDA

### Uprising in Albania

Supporters of former President Sali Berisha seized government buildings in the Albanian capital Monday and demanded that the government resign. Government forces launched a counterattack hours later, killing three Berisha supporters and wounding 14. The Interior Ministry also said that the Parliament building and the offices of Prime Minister Fatos Nano were back in government hands. Page 6.

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YANG SHANGKUN, a Chinese general who went into politics, died in Beijing at 92. Page 2.



GEORGE C. WALLACE, once a symbol of segregation as Alabama governor, died at 79. Page 2.

Newsstand Prices

Bahrain	1,000 BD	Malta	55 c
Cyprus	€ 1.00	Nigeria	12500 Naira
Denmark	14.00 DK	Oman	1,250 QR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	€ 0.85	Rep. Island	€ 1.00
Great Britain	€ 0.90	Saudi Arabia	10 SR
Greece	€ 0.80	S. Africa	€ 12 + VAT
India	1,250 IN	U.A.E.	10.00 Dh
Jordan	JD 180	U.S. Mkt. (Eur.)	\$ 1.20
Kuwait	700 KD	Zimbabwe	2m \$40.00

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## Russian Bubble Bursts / Ruble Crisis Shocks Middle Class

## Designer Clothes, Trips to Paris and Fine Dining Now a Memory

By David Hoffman  
Washington Post Service

MOSCOW — As young women during the Soviet years, they dreamed of leaving this gray, dreary city and visiting Paris. They dreamed of being able to own a pair of Western blue jeans.

They dreamed of climbing out from under the oppressive, bureaucratic weight of the Soviet state.

Natalia Tumashkova and Marina Boroditskaya were high school friends in those days, and eventually their dreams came true.

When the Soviet Union fell apart nearly seven years ago, the two became part of a new middle class that put down shallow roots in Russia's rambunctious market economy.

They went to Paris, they bought jeans for their children and they gave up their state jobs to work for themselves. They were the epitome of the new Russia that President Boris Yeltsin and his young reformers had hoped would be the future of the country.

They were part of a hardworking, entrepreneurial class that tasted the fruits of prosperity and contributed to it. In all of Russian society, from impoverished villages to the high-flying new rich, it was this middle class that was at the core of the transformation.

But nearly a month after the government devalued the ruble and Russia was plunged into economic chaos, these two women say they have been profoundly shaken. The crisis has hit hardest those who were at the new society's cutting edge. For the first time since the grand experiment with market reform began, they have begun to wonder whether it could all go back to the old days again.

"It's really been very shaky," said Miss Tumashkova, an advertising and personnel consultant, sitting in a nearly empty restaurant appointed with marble pillars and crystal chandeliers that once was packed with a luncheon crowd of bankers in designer suits.

"I remember in the first coup, in 1991, we were really scared," she said. "We felt it could go back. But the second time, in 1993, we already felt that things were irreversible. Now we are in shock — that things could change back so fast!"

Moscow has suddenly reverted to unsettling visions of the past. Store shelves have been swept clean by panic buying. Families are once again gathering at their kitchen tables to talk

about how to scour the outdoor markets for necessities. The ruble exchange rate is gyrating wildly. Banks are closed, and credit cards don't work. People are asking their friends how to get dollars.

"Our survival skills are back," Miss Tumashkova said. "I bought a couple of boxes of matches."

"I went out and bought 15 rolls of toilet paper, just in case," said Miss Boroditskaya, a writer.

In the early years of post-Soviet Russia, two kinds of businesses took hold. One evolved from the old Soviet state ministries and their bogged-down, natural resources and industrial facilities.

These mines and factories and refineries became a key part of the new Russian economy — largely export companies that were partly privatized. These turned into prominent companies like Gazprom, the natural-gas monopoly, and Lukoil, the petroleum giant.

But there also sprang up a second kind of business, which had no roots in the Soviet state. These were created by people who hustled to take advantage of the pent-up demand for imports — like televisions and computers and specialty foods — and the traders who distributed such goods. Many of the early commercial banks were created just to serve these nascent entrepreneurs. Soon came others, many of them in such service industries as advertising, travel, finance and the media.

TOGETHER, THESE businesses spawned a small but thriving new middle class, based largely in Moscow, the most prosperous Russian metropolis. They spent their money in restaurants, they took vacations abroad, they carried credit cards, they joined health clubs and they lav-



Natalia Tumashkova, her business shattered, sees a future in teaching 'crisis management' and 'how to survive gracefully.'

ished gifts on their children. They trusted commercial banks and opened accounts. They shopped for imported foods, and they carried mobile telephones.

These aspects of the middle-class lifestyle did not exist in many of the provinces, so the impact of the economic crisis has not been the same there as in Moscow, where it hit hard, especially among young professionals who had come to take their new circumstances for granted. First, most watched helplessly as their salaries were devalued along with the ruble. Then the government froze their bank accounts. Layoffs swept the banks and brokerages.

"The middle class no longer believes in plastic cards, the bank system, the Russian ruble, in stocks and bonds, in time deposits," wrote Rustam Arifzhanov in the newspaper Izvestia. "Everything that took so much time

At the dawn of President Mikhail Gorbachev's perestroika reforms, she left the university to work on her own and then went into business.

Miss Boroditskaya, 44, whose parents were musicians, became a writer and translator, a card-carrying member of the Union of Writers, the stuffy organization of Soviet-sanctioned authors. There was a modest salary, free vacations at resorts — and censorship of her poetry.

But all that changed with the collapse of the Soviet Union, and she became a freelance translator for conferences.

At first, the new market economy required trade-offs. "I didn't have to cross things out of my poems anymore," Miss Boroditskaya recalled, but there was a different kind of cen-

ship. "Some of the poems wouldn't get published because people said they wouldn't sell — poetry doesn't sell."

She recalled with pride being able to save \$250 to print a volume of her poetry.

Miss Tumashkova also set out on her own, spending a year at Harvard University, then learning the ropes of business. She set up a company that handled advertising for recruitment agencies and learned a new skill — how to deal with clients. "You do everything to make your client comfortable, to make your client happy," she said.

This, she added, was absolutely unfamiliar "to the Russian mentality."

BOTH WOMEN said their lives changed. They reviled in the arrival of imported products. "You get used to good things so quickly," said Miss Boroditskaya, who recalled going on a binge, buying convenience foods. "Chicken nuggets! Fish fingers! Crab sticks! I give my kids money to buy things for their computers that I wouldn't think of three years ago."

Miss Tumashkova said she had bought her father a car. Her parents once supported her, she said, but now she supports them.

When the ruble stabilized in 1995, the hopes of the two women soared even higher, and together they fulfilled their high school dream of visiting Paris. "We cried when our bus actually rolled into Paris," said Miss Boroditskaya. "We talked about it so much as kids."

But the financial storm that swept through Russia late this summer put many of their hopes on hold. Miss Tumashkova said the banking crisis had made it almost impossible to carry on business.

Miss Boroditskaya said she had lost all her translating jobs virtually overnight. "Where am I going to end up?" she asked.

Both women said they had voted for Mr. Yeltsin, but not because they liked him. "I didn't want the Communists back," said Miss Tumashkova. And, she added, her teenage daughters are "terrified" at the prospect that the old days might return.

Despite the crisis, the two women say they have not lost faith in the broader goals of the free market. Miss Tumashkova said she had already spotted an opportunity in the current economic turmoil — advising her clients on "crisis management" and on "learning how to survive gracefully."

## George C. Wallace, Once a Symbol of Segregation, Dies at 79

By Richard Pearson  
Washington Post Service

WASHINGTON — George C. Wallace, the four-time governor of Alabama and four-time candidate for president of the United States, who became known as the embodiment of resistance to the civil rights movement of the 1960s, died Sunday night in Montgomery, Alabama.

He was 79 and had been fighting Parkinson's disease in recent years.

Hit by an assassin's bullet in Laurel, Maryland, in 1972 while campaigning in the Democratic presidential primary, he spent the rest of his life in a wheelchair, paralyzed from the waist down.

Mr. Wallace entered Jackson Hospital on Thursday, suffering from breathing problems and septic shock caused by a severe bacterial infection.

In 1982, running for a fourth term as governor, Mr. Wallace renounced his segregationist past. He was elected by a coalition represented by blacks, organized labor and forces seeking to advance public education.

"Following the end of legal racial

segregation, Governor Wallace has been one of the most dedicated and effective Southern leaders in bringing about reconciliation among our people," former President Jimmy Carter said Sunday night.

Mr. Wallace was elected governor the first time in 1962, with what was the largest popular vote in state history.

For the next 15 years, he made a political career as a man who opposed the advancement of rights for blacks, as well as federal government powers.

Mr. Wallace was a candidate in several Democratic primaries, scoring what were then surprisingly large vote totals in states like Maryland and Wisconsin.

In 1968, he ran for president on his own American Independent Party ticket, winning nearly 10 million votes, about 13 percent of the total, in a campaign in which he vilified blacks, students and foes of the war in Vietnam. He carried five Southern states.

In 1972, he returned to the Democratic Party fold. As the most forceful national opponent of "forced busing" for school integration, he galvanized

supporters. But his campaigning ended in Maryland, when he was struck down by bullets fired by Arthur Bremer.

Nevertheless, he won primaries in North Carolina, Michigan, Maryland, Florida, Tennessee and Alabama.

Mr. Wallace returned to the presidential trail for the last time in 1976. A near-wraith, his roar of defiance was diminished by physical limitations and time. National racial tension was, arguably, lessening, and Vietnam was no longer a burning issue.

Mr. Wallace ended up endorsing Mr. Carter, who went on to defeat the incumbent Republican, Gerald Ford.

Forbidden by law to run for re-election as governor in 1966, he saw his first wife, Lurleen, elected in his stead. She died in office two years later.

In 1970, he defeated her successor and won a second four-year term as governor. In 1974, with state law changed, he was elected governor a third time. He stepped down in 1979.

In his 1982 gubernatorial campaign, Mr. Wallace admitted that he had been wrong about "race" all along.

Talking to blacks in 1982, he said he and his supporters had thought segregation was in the best interest of all concerned. "We were mistaken," he said. "The Old South is gone."

Mr. Wallace rose to national prominence in 1963, when he kept a campaign pledge to stand "in the schoolhouse door" to block integration of Alabama public schools.

On June 11 that year, he blocked the path of two black students attempting to register at the University of Alabama.

He defied federal orders to admit the students, James Hood and Vivian Malone.

President John Kennedy federalized the Alabama National Guard and ordered some of its units to the university campus.

Mr. Wallace stood aside, and the blacks were allowed to register.

In September 1963, Mr. Wallace ordered state police to Huntsville, Mobile, Tuskegee and Birmingham to prevent public schools from opening, after a federal court order to integrate Alabama schools.

Helmets and armed state policemen and state National Guard units kept students and faculty from talking schools.

After civil disturbances resulting in at least one death, Mr. Kennedy again nationalized the Guard and saw the schools integrated.

In 1958, after serving as assistant state attorney general in Alabama and for two terms in the Legislature, Mr. Wallace ran his first race for governor and was defeated by John Patterson in the Democratic primary.

He later attributed this to being "out-seggged" by his opponent. He vowed that in any future contest, he would be the loudest and most impassioned voice for racial segregation.

He won the governorship in 1962. According to a Saturday Evening Post article, he "campaign[ed] like a one-man army at war with the federal government."

George Corley Wallace was born Aug. 25, 1919, in Clio, Alabama. He grew up on the family farm and served in World War II.

## TRAVEL UPDATE

## Flooding in Belgium

BRUSSELS (AP) — The heaviest rainfall in years flooded highways, railroads and villages across Belgium on Monday.

Rain over the past two weeks turned into a nonstop storm late Sunday, and by noon Monday some villages around the northern port city of Antwerp and central Belgium were cut off by the rising water.

No injuries were reported, but damage to homes was extensive.

## Northwest Flies Again

MINNEAPOLIS (AP) — A Northwest Airlines cargo plane took to the skies Monday, the company's first flight after a 15-day pilot strike ended.

Passenger service remained grounded, but some routes were expected to resume by Wednesday, with full service by early next week, the company said.

Air Canada pilots voted to end a 12-day strike, and full operations are expected to resume within days. (AP)

## Yang Shangkun, Ex-President of China

The Associated Press

BEIJING — Former President Yang Shangkun, a general-turned-politician who helped modernize the Chinese Army and then sent it against student-led protesters in 1989, died Monday. He was 91.

The Xinhua news agency said Mr. Yang died of an illness but did not elaborate.

One of the last of China's Communist revolutionaries, Mr. Yang was forced to retire from his official posts in 1992.

President Jiang Zemin, with the blessing of his mentor, Deng Xiaoping, sought to curb Mr. Yang's influence within the powerful military.

Mr. Yang's occasional, often publicized tours of the provinces — he visited Hong Kong in January — proved that he remained a power behind the scenes.

An obituary issued by the leadership and carried by Xinhua praised Mr. Yang as "a great proletarian revolutionary" and "an outstanding leader of the party, the state and the People's Army."

Before his retirement, Mr. Yang worked closely with Mr. Deng, who died last year, to carry out the vision of a modern China. He shared Mr. Deng's opposition to political liberalization, but ambition rather than ideology seemed

the main force in his career.

Mr. Yang's career was capped in April 1988 when he became president of a ceremonial but prestigious post. A short, broad-shouldered man with a ready smile, he made a smooth switch from a military uniform to the suit and tie of a political figure.

His real power stemmed from his long standing as vice chairman of a Communist Party commission that oversees the military.

In May 1989, it was Mr. Yang who announced on national television that the army had been ordered into Beijing to clear student protesters from Tiananmen Square.

After the army vanquished the students in a night of bloodshed two weeks later, some said Mr. Yang was maneuvering to succeed Mr. Deng as paramount leader. It was a goal Mr. Deng had denied his old comrade-in-arms by grooming Mr. Jiang as successor.

Born in southwest China's Sichuan Province in 1907, Mr. Yang participated in leftist student movements in Sichuan and Shanghai before studying in Moscow. A top army commissar, he took part in the 1934-35 Long March, the Red Army's epic flight from Chiang Kai-shek's Nationalist forces.

After the Communist victory in 1949,

Mr. Yang directed the general office of the party Central Committee, the center of power. He held that post until radical Red Guards accused him of conspiring against Chairman Mao and purged him at the outset of the Cultural Revolution in 1966.

Ricardo Ramirez, 67, Ex-Guerrilla in Guatemala

NEW YORK (NYT) — Ricardo Ramirez, a Guatemalan guerrilla commander turned peacemaker, who was better known to his countrymen by his nom de guerre, Rolando Moran, died Friday of a heart attack in a hospital in Guatemala City.

He was 67 and had lived in the Guatemalan capital since a peace accord that ended the country's long civil war was signed in December 1996.

At his death, Mr. Ramirez was secretary-general of a left-wing party that the former guerrilla coalition, the Guatemalan National Revolutionary Unit, was organizing.

Along with fellow rebels who had taken the aliases Carlos Gonzalez, Gaspar Ilom and Pablo Monsanto, Mr. Ramirez had been part of the general command of the guerrilla group since its founding and was regarded as its dominant and perhaps most flexible figure.

## WEATHER

Europe				Asia			
City	Today	High	Low	City	Today	High	Low
London	18/12	20/12	16/12	Tokyo	22/12	24/12	20/12
Paris	16/12	18/12	14/12	Seoul	20/12	22/12	18/12
Rome	14/12	16/12	12/12	Beijing	18/12	20/12	14/12
Moscow	12/12	14/12	10/12	Manila	24/12	26/12	20/12
Delhi	28/12	30/12	24/12	Bangkok	26/12	28/12	22/12
Sydney	20/12	22/12	18/12	Colombo	28/12	30/12	24/12
Auckland	18/12	20/12	14/12	Jaipur	26/12	28/12	22/12
Los Angeles	22/12	24/12	18/12	Calcutta	28/12	30/12	24/12
Hong Kong	24/12	26/12	20/12	Chennai	26/12	28/12	22/12
San Francisco	20/12	22/12	16/12	Hyderabad	28/12	30/12	24/12
New York	18/12	20/12	14/12	Bombay	26/12	28/12	22/12
Mexico City	22/12	24/12	18/12	Madras	28/12	30/12	24/12
Sao Paulo	20/12	22/12	16/12	Coimbatore	26/12	28/12	22/12
Buenos Aires	18/12	20/12	14/12	Trichy	28/12	30/12	24/12
Caracas	22/12	24/12	18/12	Chennai	26/12	28/12	22/12
Lima	20/12	22/12	16/12	Madurai	28/12	30/12	24/12
Quito	18/12	20/12	14/12	Thanjavur	26/12	28/12	22/12
La Paz	22/12	24/12	18/12	Chennai	28/12	30/12	24/12
Santiago	20/12	22/12	16/12	Madurai	26/12	28/12	22/12
Montevideo	18/12	20/12	14/12	Chennai	28/12	30/12	24/12
Bogota	22/12	24/12	18/12	Madurai	26/12	28/12	22/12
Medan	20/12	22/12	16/12	Chennai	28/12	30/12	24/12
Jakarta	18/12	20/12	14/12	Madurai	26/12	28/12	22/12
Manila	24/12	26/12	20/12	Chennai	28/12	30/12	24/12
Seoul	20/12	22/12	16/12	Madurai	26/12	28/12	22/12
Tokyo	22/12	24/12	18/12	Chennai	28/12	30/12	24/12
Beijing	18/12	20/12	14/12	Madurai	26/12	28/12	22/12
Manila	24/12	26/12	20/12	Chennai	28/12	30/12	24/12
Singapore	26/12	28/12	22/12	Madurai	26/12	28/12	22/12
Bangkok	28/12	30/12	24/12	Chennai	28/12	30/12	24/12
Colombo	30/12	32/12	26/12	Madurai	26/12	28/12	22/12
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Madras	26/12	28/12	22/12	Madurai	26/12	28/12	22/12
Coimbatore	28/12	30/12	24/12	Chennai	28/12	30/12	24/12
Trichy	30/12	32/12	26/12	Madurai	26/12	28/12	22/12
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Madurai	26/12	28/12	22/12	Chennai	28/12	30/12	24/12



THE AMERICAS

# Gore Focuses on His Issues (and Ignores The Issue)

By Ceci Connolly  
Washington Post Service

SEATTLE—All of Earth, it may seem, is buzzing about the sex scandal enveloping President Bill Clinton's White House, surfing the Internet for salacious details, arguing in coffee shops over the fine points of perjury and pondering where private life ends and public morality begins.

But on tranquil Planet Gore, the sun is shining, the salmon are running and all lanes on the information superhighway lead to 2000.

For six years, Bill Clinton and Al Gore have been bragging about their uniquely close partnership running the nation.

But as the president battles for political survival in Washington, his steady No. 2 is visiting the other Washington—Washington state—serenely following a blueprint charted months before Monica Lewinsky threatened to turn the political world upside down.

"Business as usual," young staff members chirp, repeating the unofficial motto here on Planet Gore. The strategy is to largely ignore the Clinton sex scandal and project a vice president hard at work.

While Mr. Gore has stated that he is supporting his embattled friend

and boss, he also makes clear that he has his own agenda.

This weekend, he has jammed everything from a 5K run to an intimate dinner with supporters of his political action committee into a hectic two days in the Pacific Northwest.

By day, the vice president trumpeted light rail, christened a new port and convened a roundtable on coastal salmon restoration—all part of what he labels the "livability movement."

By night, he raised thousands of dollars for the next generation of Democratic leaders, politicians who could well be his foot soldiers in the presidential campaign of 2000.

"For six years, we've been loyal to the president and focused on issues of interest to the vice president, and we're going to continue with that template," said one aide traveling with Mr. Gore. "We're hitting all three levels: policy, in terms of the vision stuff, politics for the locals, and delivering things for the state."

Yet, in the crowds he addressed, in the hotel bars and along the streets, the chatter was about Mr. Clinton and the lurid details of his extramarital affair.

"We're consumed with it," said Phyllis Smith, an elderly woman

who owns an engineering concern. "I called my friend this morning to ask if she was watching the opera. She said, 'Are you kidding? I'm watching CNN.'"

One sign along Mr. Gore's motorcade route noted: "Impeach Clinton Now." Another, obviously aware of Mr. Gore's high-tech profile, read:

**'Business as usual,' young staff members chirp.**

In a critique of the Republican Congress on Sunday night, Mr. Gore made a passing reference to the troubles back in the capital: "The only thing they can agree on is attacking the president."

At a boisterous rally in Vancouver, Washington, on Saturday evening, Brian Baird, a candidate for the House, used the tale of the explorers Lewis and Clark to address the controversy that Ms. Smith and everyone else in the Pearson Air Museum was talking about.

"These are not easy times in our nation and these are not easy times for this administration," said Mr. Baird, who appeared well positioned to win the seat of Representative Linda Smith, a Republi-

can, who is running for the Senate. "But no matter what, we will proceed," he said. "It's time to focus on things that matter."

When it was his turn to speak, Mr. Gore made only an oblique reference to the scandal, using language he has employed before on the campaign trail: "He is my friend and he is our president. And let me tell you, his policies have been good for the United States of America."

Mr. Gore did give a brief, carefully crafted statement for the cameras on Saturday morning, saying that the Starr report did not offer evidence for "overturning the judgment of the American people."

These days, Mr. Gore appears to be a beacon of calm in a storm-tossed administration.

"He seems totally upbeat," said one political adviser who spent time with Mr. Gore last week. "When he's confronted with a difficult situation, he really rises to the occasion."

Another supporter, who attended two dinners for Mr. Gore's Leadership '98 PAC last week, said the

vice president had finessed a few questions on the controversy and spent much of the night discussing politics and such issues as funding for the International Monetary Fund and electricity rates.

Many of the people who saw Mr. Gore over the weekend said they were pleased to discover that he was not bogged down in the controversy.

"We rarely see anyone at the federal level take a position on planning," said Douglas Hardy, a 35-year-old planner who brought his wife and son to Mr. Gore's "listening session" on urban sprawl on Saturday.

"The potential situation has really changed," said Shirley Morgan, a graphic designer. "Who knows what's going to happen to Clinton? It could be Gore."

Speculating that Mr. Gore may land in the presidency sooner than anyone thought, many wonder about his character now that Mr. Clinton's has been called into question.

"For us to get a better idea of his moral stature, it would be good for him to tell us where he stands," Ms. Smith said at the museum.

"He would be well advised to say what his moral values are," she added.



Mr. Gore speaking to the crowd at the opening of a state-of-the-art container-ship terminal in Seattle.

## Editorial Writers Look for Answers

### 7 Big U.S. Papers Urge Resignation

By Felicity Barringer  
New York Times Service

NEW YORK—Scattered anger and disgust at President Bill Clinton, combined with pervasive anxiety about the potential use and misuse of constitutional impeachment powers, left many editorial pages groping to find analytic prescriptions to ease the dilemmas facing Congress and the president.

At least 25 newspapers have called for the president's resignation, including seven that circulate 250,000 or more papers on Sundays: The New Orleans Times-Picayune, The Seattle Times, The Des Moines Register, The Philadelphia Inquirer, The San Jose Mercury-News, The Tampa Tribune and The Atlanta Journal-Constitution.

The Albuquerque Journal on Sunday called Mr. Clinton "morally unfit to continue in office," while The Seattle Times said, "Without moral authority, the president cannot lead."

Focusing on the damage the president's affair with Monica Lewinsky has done to the dignity and effectiveness of the presidency, The Journal-Constitution declared Sunday that "only one person can spare us that nightmare" of a drawn-out discussion "of a particularly seamy presidential scandal." The president's "only responsible option"—resignation—would entail a sacrifice that the newspaper said Mr. Clinton "has shown himself incapable" of making.

At least two newspapers, The Charlotte (North Carolina) Observer and The Detroit Free Press, argued against resignation.

The Observer declared, "The nation is not endangered by having Bill Clinton in the White House."

"Our economy is not collapsing, we're not under attack, there's no threat of a coup. Surely the worst that can be said of him has been said."

The Detroit Free Press, in the hometown of John Conyers Jr., the ranking Democrat on the House Judiciary Committee, acknowledged that "we cannot say we would be devastated" by a resignation. But it continued, "For him to resign before this process is completed would be to cave in to the relentless Starr, and that could set a precedent that would make future presidents sitting ducks

for their political enemies."

Overall, the ideas and analyses that emerged from the editorials reflected ambivalence and a sense of being overwhelmed by the issues.

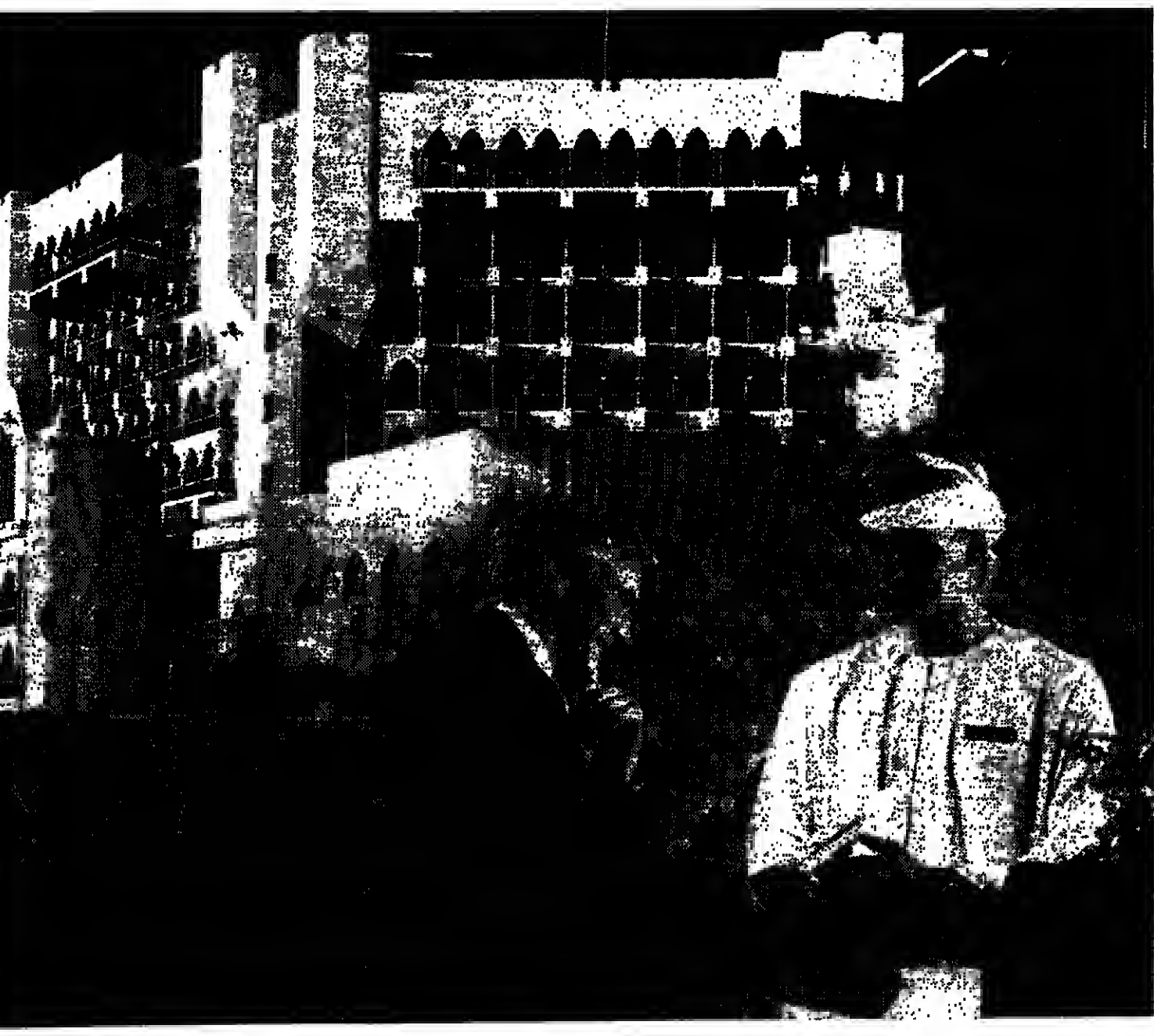
Should they focus on what was and was not contained in the Starr report? Should they address the president, the Congress, the voters, or all three?

Should they zero in on sexual encounters and misleading statements? What about the practical issues of a weakened president's governance? The legal questions of what constitutes an impeachable offense? The moral issues of leadership?

The most common warning was crystallized by The Sacramento Bee, which wrote Saturday, "The Constitution is the sacred text of American life, overarching presidents as they come and go beneath it." It added, "The accelerating hysteria that accompanied release of the prosecutor's report Friday is the enemy of constitutional self-government."

The St. Louis Post-Dispatch solved the problem of which questions to answer by running three separate unsigned editorials. Sunday's lead opinion piece argued that the Starr report "is like a tower of blocks wobbling on top of the shaky foundation of a sexual relationship between two consenting adults—albeit an immoral, adulterous, pitifully adolescent relationship."

A second editorial was titled "The Peep-Show Presidency" and said, "We hate ourselves for staring, but we can't turn away." A third editorial was headlined "The Contrition Gambit."



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## THE AMERICAS

## The Gradual Erosion of the Private Sphere: 'Everything's Fair Game Now'

By Michael Grunwald  
Washington Post Service

WASHINGTON — "When a man assumes a public trust," President Thomas Jefferson wrote in 1807, "he should consider himself as public property." Of course, Mr. Jefferson never had to deal with an independent counsel's report about his sexual escapades put out on the Internet.

Kenneth Starr's stunningly detailed account of President Bill Clinton's extramarital affair with Monica Lewinsky was undoubtedly the most direct challenge to presidential privacy in history. But to many legal and cultural observers, the worldwide exposure of Mr. Clinton's behavior behind closed doors reflects a gradual erosion of the private sphere — not just for presidents, but for all politicians, and to some extent for ordinary Americans as well.

"You have to think that if this can happen to the most powerful man on the planet, then nobody's private life is private anymore," said Lauren Weinstein, moderator of the Privacy Forum on the Internet. "Everything's fair game now."

Mr. Starr's four-year investigation began as an inquiry into Whitewater land deals, the alleged misuse of FBI files and the dismissals in the White House travel office, but those issues do not factor into the impeachment report he sent to

Congress on Wednesday. The report deals only with the president's relationship with Ms. Lewinsky, and his alleged efforts to cover it up. And it makes the independent counsel's case in lurid detail, describing the logistics and mechanics of 10 sexual encounters, as well as the various comments and feelings of the two participants.

In his grand jury testimony on Aug. 17, the president accused Mr. Starr's team of trying to "criminalize my private life."

In his address to the nation that night, Mr. Clinton repeated his complaint that the allegations have nothing to do with his public duties. "I intend to reclaim my family life for my family," Mr. Clinton said. "It's nobody's business but ours. Even presidents have private lives. It is time to stop the pursuit of personal destruction and the prying into private lives and get on with our national life."

In an introductory section, "The Significance of the Evidence of Wrongdoing," the Starr report offers a blunt rebuttal to those privacy arguments: "All Americans, including the President, are entitled to enjoy a private family life, free from public or governmental scrutiny. But the privacy concerns raised in this case are subject to limits."

The report cites three specific limits on Mr. Clinton's privacy rights. First, it points out that

the president had been sued by Paula Jones for sexual harassment, and that the Supreme Court had allowed the case to go forward.

Second, it points out that Judge Susan Webber Wright had ordered Mr. Clinton to answer questions about Ms. Lewinsky.

Third, it argues that the unique nature of the presidency requires a higher standard of conduct, and it quotes a former president to that effect: "The Presidency is more than an executive responsibility. It is the inspiring symbol of all that is highest in American purpose and ideals."

To Mr. Clinton and his defenders, the problem with Mr. Starr's investigation is a failure to distinguish between the president's public and private responsibilities.

The sexual peccadilloes of presidents such as John F. Kennedy, Lyndon B. Johnson and Franklin D. Roosevelt were generally considered out of bounds for public discussion.

"The attitudes have changed, the climate has changed," said Will Johnson, chief archivist at

the John F. Kennedy Library in Boston. "It used to be that photographers couldn't even take pictures of FDR using crutches, but now presidents have no privacy whatsoever."

This has been a perennial presidential complaint, the image of the four-year fishbowl: Harry Truman built the Truman balcony on the back of the White House because he wanted a place to sit alone with his wife, Jimmy Carter and his wife used to sunbathe together on the White House roof. Mr. Clinton began to bristle about his privacy as soon as he took office, as the media began to scrutinize his golf game, ridicule his eating habits and pester his cat. The problem took a surreal twist during the Jones case, when her court filing alleged that his penis had "distinguishing characteristics."

The Starr report, with its sordid details about cigars and its meticulous reconstructions of intimate conversations, clearly marks a new level of intrusion in the private sphere. But Mr. Clinton's critics say he invited the scrutiny by lying about his affair in the Jones case, and then by insisting to

Mr. Starr's grand jury and to the nation that his responses had been "legally accurate."

And they point out that Democrats were in large part responsible for the independent counsel law that gave Mr. Starr his power, a law that has no exception for privacy.

In any case, there is a widespread feeling that the explicit sexual revelations about the president are just too much information, that even in the age of Viagra ads and Marv Albert and Jerry Springer, there are some things that consenting adults do that should never become public.

Some House members who voted to make public the report Friday morning regretted their decision by Friday afternoon. Others warned that the recent preemptive disclosures of sexual indiscretions by two of Mr. Clinton's most avid congressional critics — Representatives Dan Burton, Republican of Indiana, and Helen Chenoweth, Republican of Idaho — may herald the dawning of an era of full disclosure.

Privacy advocates warn that Americans are already entering that era without realizing it, and not just politicians. They say that privacy protections are being chipped away nationwide, and that individual medical records, computer files and financial information are less secure than ever. Privacy, they say, is not a very popular cause these days.

**'If this can happen to the most powerful man on the planet, then nobody's private life is private anymore.'**

## Fox TV Scraps Clarence Thomas Film

Murdoch Said to Object to Portrayal of Friend's Confirmation Hearing

By Geraldine Fabrikant  
New York Times Service

NEW YORK — Fox Television has scrapped a television drama based on "Strange Justice," a book about the sexual harassment charges against Justice Clarence Thomas, after Rupert Murdoch, chairman of News Corp., Fox's owner, objected to the project, several people in the industry said.

The book, written by two reporters for The Wall Street Journal and published in 1994, concluded that Anita Hill was telling the truth in making the charges during Senate hearings on Justice Thomas's nomination to the Supreme Court. The National Book Awards, in naming the book a finalist, described it as a "meticulous investigation." Despite the accusations, Justice Thomas was confirmed.

Mr. Murdoch put a halt to the project two weeks ago

after reading the book, according to several people close to the situation. He told an associate that Justice Thomas was a friend of his, that he had been railroaded in the confirmation hearings and that he, Mr. Murdoch, did not want Fox to proceed with the project, according to one of those people.

Justice Thomas, a well-known conservative, seems to share at least some of Mr. Murdoch's conservative views.

Mr. Murdoch has a history of supporting conservative politicians as well as curtailing projects that might affect the financial health of his company. Four years ago, he dropped the BBC news service from Star-TV, his Hong Kong-based satellite service, after the Chinese government protested its coverage of Chinese dissidents.

And in February, apparently in deference to the

Chinese government, Mr. Murdoch killed a book by Chris Patten, the last British governor of Hong Kong, that was scheduled for publication by HarperCollins, another News Corp. property. Mr. Patten's book took a tough stand on China's human rights abuses, criticizing the government's intentions after Hong Kong was returned to China and showing how it set out to subvert moves to greater democracy.

Mr. Murdoch did not return repeated telephone calls seeking comment. And Jim Platt, a company spokesman, said Mr. Murdoch was not inclined to talk to the press on the matter.

But Jacob Epstein, the screenwriter on the project and a writer for both "Hill Street Blues" and "L.A. Law," said: "I was told that Fox was very excited about the script, and that was confirmed when they announced it as the inaugural movie for their new network, in a banner story" in Daily Variety, the entertainment trade paper.

"Then I learned two weeks ago that Murdoch had asked for a copy of the book 'Strange Justice,' to read over the weekend, and on Monday the project was dead," Mr. Epstein said.

"Strange Justice," written

by Jane Mayer and Jill Abramson, is a detailed study of the congressional hearings in which Ms. Hill accused Justice Thomas of sexual misconduct. Ms. Mayer is now a writer for The New Yorker, and Ms. Abramson is now a reporter at The New York Times. Fox paid the pair roughly \$20,000 for an option on the book, according to an executive involved in the negotiations.

Neither David Grant, president of Fox Television Studios, nor Marci Pool, senior vice president for movies and miniseries, returned repeated phone calls. But according to several people close to the situation, Mr. Grant and Ms. Pool were notified that Mr. Murdoch had read the book and did not want the studio to go forward.

Peter Chernin, president of 20th Century Fox, the parent of Fox Television, said in a telephone interview that Mr. Murdoch had never read the script and was not involved in the project's termination.

"The script was always intended to be reasonably comedic, and it was not funny," Mr. Chernin said. "The script came in and they did not like it. It was passed on by the network." But he did not deny that Mr. Murdoch had read the book.



Mr. and Mrs. Clinton walking to a helicopter in Washington on Monday.

## Public Thinks Clinton Broke The Law but Should Stay

By Richard Morin  
and Claudia Deane  
Washington Post Service

WASHINGTON — A majority of Americans now believe that President Bill Clinton probably broke the law and should be censured, but that he should not be forced from office for lying about his sexual relationship with the former White House intern Monica Lewinsky, according to a Washington Post survey.

At the same time, the poll found that most Americans continue to praise Mr. Clinton's stewardship of the nation's economy and the overall job he is doing as president — even as they increasingly question his personal behavior and express growing doubts about his long-term ability to lead.

Mr. Clinton's job approval rating stood at 59 percent in the survey, down from 66 percent in a Post/ABC News Poll three weeks ago. Seven in 10 said they approved of the job he is doing handling the economy. But only half of all Americans said they had a favorable impression of the president, and his ratings for honesty, integrity and personal morality fell to record lows.

Still, the president remains far more popular than either the House speaker, Newt Gingrich, or Kenneth Starr. Seven in 10 said they expected Mr. Clinton to serve out his term, and six in 10 said he had apologized enough for his actions.

Those results will most likely be reassuring to White House aides, who had feared that Mr. Starr's explicit account of Mr. Clinton's affair with Ms. Lewinsky could send the president's job rating and overall popularity into free fall.

Several weekend surveys found no such dramatic shift. Instead, the changes were mostly modest — though in a troublesome direction for the president.

For many Americans, the Starr report appears to have provided explicit detail — too much detail, most said — about things they already knew or suspected. More than six in 10 said they were not surprised by the evidence of wrongdoing contained in the report.

More than six in 10 said there was "too much unnecessary detail" about Mr. Clinton's sexual encounters with Ms. Lewinsky, while less than a third said these sometimes graphic descriptions of sex acts were necessary for Mr. Starr to make his case.

But Americans are more inclined to believe Mr. Starr's version of the facts than Mr. Clinton's account of his relationship with Ms. Lewinsky, according to an ABC News Poll.

The survey also suggested that the Starr investigation into the Lewinsky scandal might have severely damaged Mr. Clinton's continued ability to govern the country and command his party.

Half of those interviewed predicted that the scandal would have a "major impact" on the president's ability to lead — up from 32 percent less than three weeks ago. And the proportion of Americans who said they now trusted Republicans in Congress rather than Mr. Clinton to deal with the country's most serious problems has increased.

A total of 860 randomly selected adults were interviewed Friday through Sunday. Margin of sampling error was plus or minus 3 percentage points.

The early polls suggested that a public consensus had emerged that Mr. Clinton must be punished in some way for lying about his relationship with Ms. Lewinsky. Nearly six in 10 said they thought Congress should "censure or officially reprimand" Mr. Clinton, according to the Post poll.

According to the Post survey, nearly two out of three Americans said Mr. Clinton should not be impeached on the basis of what they know now, and nearly as many did not want him to resign.

The Post survey suggested that the public was already polarized on the issue of impeachment. Of the three in 10 who favor impeachment, the overwhelming majority said they "strongly" favored it.

But among the majority who oppose impeachment, an equally large proportion — nine in 10 — said they "strongly" rejected it.

## Stand By! Starr's Grand Juries Are Still Digging

By Stephen Labaton  
New York Times Service

WASHINGTON — By the time Richard Nixon faced impeachment proceedings in Congress a generation ago, many of his closest aides had already been indicted or convicted of crimes.

In contrast, the independent counsel, Kenneth Starr, has built an impeachment case against President Bill Clinton over a series of incidents involving Monica Lewinsky in which no criminal charges have been filed against anyone. At least not yet.

Investigators said Sunday that the impeachment report sent to Congress last week was far from the last step in their examinations. It is not known to what end they are working, but grand juries in Washington and Virginia are continuing their inquiries into aspects of the Lewinsky inquiry that Mr. Starr apparently thought did not need to be resolved before filing his report with Congress last week.

Thus the impeachment referral, while pain-

fully detailed about many intimate aspects of the relationship between Mr. Clinton and a former White House intern, left unresolved several issues that have emerged in recent months, including these:

- Did Mr. Clinton lie under oath regarding accusations by a White House volunteer, Kathleen Willey, that Mr. Clinton groped her in the White House in 1993? Did Nathan Landow, a prominent Maryland real estate developer and Democratic fund-raiser, who talked to Mrs. Willey after the incident, try to influence her testimony? Mr. Landow has denied he violated any laws.
- What was the role of the deputy White House counsel, Bruce Lindsey, when he talked to witnesses in the Lewinsky case and the Paula Jones case? The White House has appealed to the Supreme Court a decision in which a federal appeals court said the president could not invoke lawyer-client privilege to shield Mr. Lindsey from answering questions.
- Did Linda Tripp alter or duplicate portions

of the tapes she made of her conversations with Ms. Lewinsky, her Pentagon colleague, despite Mr. Starr's testimony to the contrary?

Officials in Mr. Starr's office said Sunday that the areas not addressed in the referral were not essential to reaching conclusions about whether Mr. Clinton might have committed impeachable offenses.

The independent counsel law requires Mr. Starr to issue a referral to the House of Representatives once he has "substantial and credible information" that "may constitute grounds for impeachment."

The law gives no guidance about the timing of such a referral, although another provision requires that once his inquiry is over, Mr. Starr must give a formal accounting of his entire investigation to the special court that appointed him.

The report is certain to cover various areas of Mr. Starr's sprawling inquiry, including the dismissal of the White House travel office staff and the use of background files compiled by the FBI about former Republican officials.

## BRIEFLY

## Well-Funded Contender Catches Up With Ferraro

NEW YORK — In a closely watched but oddly insipid Senate primary, Charles Schumer, the longtime U.S. representative from Brooklyn, powered by \$13 million, has come from far behind to emerge as the favorite to win the Democratic contest on Tuesday and face the \$22 million juggernaut of the Republican Alfonse D'Amato.

The contest has lived up to predictions that it would be one of the most expensive Senate races in American history. Mr. Schumer has already spent \$8 million, a record in a New York Democratic primary, and Mr. D'Amato has spent \$11 million, even though he does not yet have an opponent. For weeks, both candidates have saturated television stations statewide with campaign advertisements.

Given the Republican incumbent's perceived vulnerability in this overwhelmingly Democratic state, the primary also was expected to be a lively battle among heavyweight Democrats vying for the right to knock Mr. D'Amato out of

office. It hasn't turned out that way.

While Monica Lewinsky, terrorist bombing and bears on Wall Street have stolen public attention, what little interest the race has generated has been focused on the timid campaign tactics and apparently fizzling prospects of Geraldine Ferraro.

The 1984 vice presidential nominee and former CNN talking head acknowledges that she is disappointed by her ability to raise money, and she has run a blandly defensive front-runner's campaign.

## Blair Stands By Clinton

LONDON — Prime Minister Tony Blair of Britain repeated his support for President Bill Clinton on Monday as the president tried to ride out a storm over revelations about his relationship with a former White House worker.

"The prime minister doesn't dump people because some report appears on the Internet," said a spokesman for Mr. Blair's Downing Street office, referring to the report issued by Kenneth Starr, the independent counsel.

## Away From Politics

• A group calling for the release of Kevin Mitnick, an imprisoned computer criminal, commandeered The New York Times site on the World Wide Web for several hours Sunday, forcing the newspaper's electronic edi-

tion to shut down at a time when traffic was particularly heavy because of the release of the independent counsel's report on President Bill Clinton over the Internet. (NTT)

• Federal safety officials proposed rules aimed at reducing accidental deaths from inflating air bags. The rules would expand the

types of test dummies to include others besides the traditional adult male. (AP)

• A 15-year-old boy died in a freak accident during a hot-dog and marshmallow cookout with friends in Forest, Indiana, after a metal part of a marshmallow stick that was being waved around detached and flew into his skull. (AP)

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## EUROPE

Uprising Met  
By Albanian  
Counterattack

Compiled by Our Staff From Dispatches

**TIRANA** — Supporters of former President Sali Berisha seized government buildings in the Albanian capital on Monday and demanded that the government resign. Government forces launched a counterattack hours later, killing three Berisha supporters and wounding 14.

An Interior Ministry spokesman, Artan Bizhga, who reported the casualties, also said that the Parliament building and the offices of Prime Minister Fatos Nano were back in government hands.

Shortly afterward, special police units recaptured government television station. A member of the television's board of directors appeared on camera and urged technicians and engineers who had fled to return to work because "I can't run this by myself."

The shooting began in Tirana after protesters carried the bodies of a slain politician, Azem Hajdari, and two others to Mr. Nano's office, which protesters had torched on Sunday. The opposition blames Mr. Nano for the deaths.

A daylong insurrection followed in which gunmen seized the government television station, the Parliament and at least four government tanks. At one point, thousands of people milled about central Skanderbeg Square, firing weapons in the air.



Albanian protesters, armed with an anti-tank missile launcher and automatic rifles, exchanging fire on Monday with police forces inside government headquarters in Tirana as unrest swept the Albanian capital.

The unrest threatened a repeat of nationwide riots that swept Albania last year after the collapse of pyramid investment schemes that cost many people their life's savings. The turmoil at that time sent refugees into Italy, Greece and elsewhere in Europe.

Mr. Nano is safe and does not intend to step down despite demands for his resignation, his spokesman said.

"He is not in his office for reasons that are known," the spokesman, Ben Blushi, said. "He considers this a coup d'état. He is not going to resign because this is a coup d'état."

Mr. Blushi said international intervention might be necessary to restore order. "No government can administer the country in these conditions," he said. "I do not exclude interventions like last year."

In 1997, an Italian-led multinational force helped to restore calm to Albania after months of anarchy.

Mr. Blushi said that Mr. Nano, who has not been seen in public since a television interview earlier in the day, had been in contact with world leaders and had told them the situation in Albania was intolerable.

Historic Day  
In Ulster, and  
A Few LaughsBy James F. Clarity  
New York Times Service

**BELFAST** — It was another historic day in the Northern Ireland peace effort, but not a remarkably serious one.

The new Northern Ireland Assembly held its first working session Monday, at the ornate neoclassical Parliament Buildings in the Stormont area of Belfast, once the seat of Protestant power that ruled over the Catholic minority in this British province.

But, instead of dealing with how to enact the provisions of the peace settlement reached in the spring, the Protestant and Roman Catholic members plunged immediately into jingoistic debate about flags, party labels, the use of Gaelic and Ulster Scots as official languages and whether it was proper for there to be a liquor bar in the basement.

In effect, the hostilities between Protestants and Catholics had been removed from the field of the atrocious sectarian violence that has plagued the province for 30 years.

With all major paramilitary groups, including the Irish Republican Army, observing cease-fires, the 108 members of the Assembly were quick to begin to earn their \$48,000-a-year salaries, perhaps double the average "in the province."

They jumped with zeal to traditional and predictable arguments over cultural and political issues that have divided the province for centuries. But the issues that had led to guerrilla warfare that has killed more than 3,200 people in 30 years were handled with volleys of mere bombast.

Absent was debate on the serious issues on how to effect the drastic political changes envisaged in the agreement, principally reforms that would give minority Catholics more power in this predominantly Protestant British province.

There were paradoxes wrapped in contradictions, and a few laughs. Gerry Adams, the president of Sinn Féin, the political wing of the Irish Republican Army, had said he would not sit at Stormont because of the memories of Protestant repression it represented for Catholics. But there he was, in a white shirt and tie, facing political foes like the Reverend Ian Paisley, who had vowed never to sit in a room with Mr. Adams, whom he says is the representative of the IRA.

Outside the Stormont gates, a small group of people, including children, waved signs reading "Protestant Parliament for Protestant People," and complained that no British Union Jack was on the building.

## BRIEFLY

Bosnians Claim  
Election Victories

**SARAJEVO**, Bosnia-Herzegovina — Muslim and Croatian nationalists made early but unconfirmed claims of victories Monday as ballot-counting from Bosnia's weekend elections continued. Serbian opponents presented conflicting numbers.

The first official results were not due before Tuesday from the Organization for Security and Cooperation in Europe, which was overseeing the presidential and legislative voting.

"Based on early, but by no means final reports, upwards of 78 percent of registered voters turned out over the weekend," Nicole Szulc, spokeswoman for the organization, told reporters. (AP)

Greece Won't Ban  
Yugoslav Flights

**BRUSSELS** — Greece has joined Britain in refusing to apply a European Union ban on flights by Yugoslav carriers designed to punish Belgrade's policy in Kosovo, a European Commission spokesman said on Monday.

The spokesman said that Greek officials had invoked an article of the EU treaty that gives a country's international obligations precedence over EU laws. The sanction was to have taken effect Tuesday.

The commission is to discuss the British and Greek refusals at its weekly meeting in Strasbourg on Wednesday, the spokesman said. It could decide to take Britain and Greece to court. (Reuters)

## For the Record

Four juveniles were arrested in eastern France over the weekend, after admitting to having desecrated 71 Jewish graves this summer, police in Metz said Monday. Damage was estimated at 100,000 francs (\$17,500), police said. (AP)

Britain's Department of Health told doctors not to prescribe the anti-impotence drug Viagra to National Health Service patients until further notice, citing worries about cost. It said media coverage had increased expectations for the drug. (Reuters)

## 'Danny the Red' Defends Helping a '60s-Era Terrorist

By Craig R. Whitney  
New York Times Service

**PARIS** — For two decades, the police in Austria and Germany had searched for the accused terrorist Hans-Joachim Klein, who was arrested last week as he sipped beer at a café in the Normandy village of Sainte-Honorine-la-Guilleville, where he had been living for five years under an alias.

But there were prominent people in France and Germany who knew where he had been all along, kept his identity secret and even paid his rent.

Among them were the French philosopher Andre Glucksmann and Daniel Cohn-Bendit, who holds dual French and German citizenship. As "Danny the Red," Mr. Cohn-Bendit was a leader of the French student uprisings in 1968. After being expelled to Africa, he returned to France in 1975 and joined the German Communist Party.

Germany, he met Mr. Klein in radical student circles of the time.

"Hans-Joachim Klein was arrested not far from his Norman domicile only a few days before he planned to surrender," they said in a letter published in *Le Monde* on Saturday, which was also signed by four other people, including the co-author of a book that Mr. Klein wrote renouncing terrorism in 1979.

"There are many of us in France and Germany who helped him by protecting him against threats of death and vengeance by former 'friends' turned murderers," the letter writers said, adding that they had paid his rent and contributed moral support.

Mr. Klein was wanted by the authorities in Germany and Austria for taking part in a spectacular kidnapping of OPEC oil ministers in 1975 that left three people dead. It was led by Ilich Ramirez Sanchez, the international terrorist who called himself Carlos. Mr. Ramirez was captured by French police in Sudan in 1994 and was sentenced to life imprisonment after a trial here last December.

Mr. Klein, shot in the stomach during the OPEC attack, declared his break with terrorism in a 1978 interview with a French journalist, Jean-Marcel Bongerueau, one of the signers of the letter published in *Le Monde*. A year later, he explained himself further in a book titled "Mercenary Death." Mr. Cohn-Bendit wrote the preface.

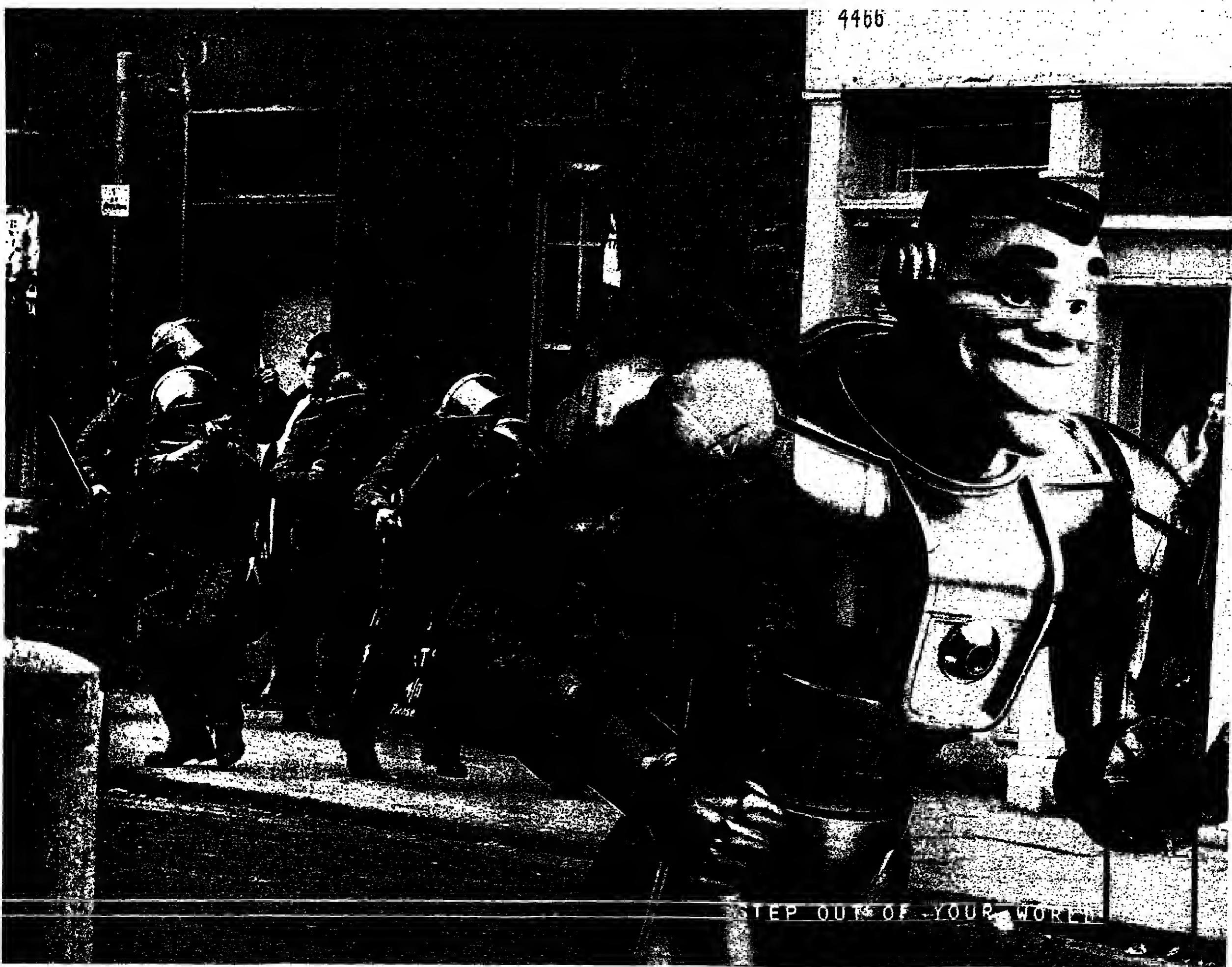
"Klein in fact not only renounced violence, he denounced its errors and perversions," Mr. Cohn-Bendit and the others wrote.

Mr. Cohn-Bendit, who lives in Frankfurt and plans to run on the German Green Party ticket for a seat in the European Parliament next year, could not be reached for comment over the weekend. But last week Mr. Cohn-Bendit suggested that the arrest had more to do with the struggle of Chancellor Helmut Kohl for re-election on Sept. 27 than with justice.

"The German authorities knew where he was all along," Mr. Cohn-Bendit said, and a German lawyer for Mr. Klein said that he had been in negotiations with prosecutors in Frankfurt on a surrender for his client since March.

But the French police, acting on an old warrant from German authorities, surprised Mr. Klein at his usual village café on Tuesday night. He surrendered without a struggle and was arraigned and held for possible extradition to either Germany or Austria.

But the French police, acting on an old warrant from German authorities, surprised Mr. Klein at his usual village café on Tuesday night. He surrendered without a struggle and was arraigned and held for possible extradition to either Germany or Austria.



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9/15/98	17:00	100.00	100.00	100.00	100.00	100.00	0.00
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9/15/98	19:00	100.00	100.00	100.00	100.00	100.00	0.00
9/15/98	20:00	100.00	100.00	100.00	100.00	100.00	0.00







## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Justice or Mercy?

So, after one of the most tumultuous weekends in modern political history, what is the future of the Clinton presidency? There has been some public distress at Kenneth Starr's decision to include explicit sexual descriptions in the independent counsel's report to Congress.

We are also seeing a broad congressional and public repudiation of Bill Clinton's preposterous contention that he did not commit perjury in his sworn denials of a sexual relationship with Monica Lewinsky. There have emerged the outlines of a deal in which Congress might spring for censure rather than impeachment if Mr. Clinton would admit perjury on this key point. Either way, it is a virtual certainty that the House Judiciary Committee will hold hearings on whether impeachment proceedings are necessary.

But there are other elements that will only emerge over time. One has to do with the public revulsion factor. The nation that Mr. Clinton is supposed to lead, as chief executive and role model, has not yet fully absorbed the Starr report. So far, the people seem to be choosing political continuity at the price of having a president whose word they cannot fully trust. The White House is hoping that the 60 percent who approve Mr. Clinton's performance and favor censure over resignation or impeachment will hold steady.

Yet Mr. Clinton's legal team seems determined to inhibit the process of forgiveness and acceptance. The most pressing issue before the nation is not the propriety of Mr. Starr's descriptions of hallway sex in the White House, but the propriety of the president's behavior and his respect for the laws governing sworn testimony.

David Kendall's insistence that the president's interpretation of questions concerning his sexual activities was in "good faith and correct" is in no way supported by transcripts of that testimony. Mr. Clinton would be well advised to remember the hospital wisecrack: The operation was a success but the patient died. The scorched-earth legalism of Mr. Kendall and Charles Ruff have helped create his crisis. The president's continued inability to break free of lawyering that insults public intelligence makes him look like a puppet and could cost him his one chance of political survival.

It can be argued of course that, by

withholding an admission of his obvious perjury, the lawyers are retaining a hole card to be played in a plea bargain with Congress. The president would admit perjury in exchange for censure and for a shelving of the charges of witness-tampering and abuse of power. On Sunday, congressional leaders as different as Senator Orrin Hatch, the Republican chairman of the Judiciary Committee, and Representative David Bonior, the Democratic whip, were offering what the latter called a "middle option" — that of a public rebuke for his personal behavior.

These men are acting responsibly in providing an escape route from the constitutional crisis that Mr. Clinton has created through adolescent recklessness and self-destructive lying. But he needs to listen to advisers and lawyers who do not act as enablers in his mad plan to stick to his Aug. 17 assertion that he was "legally accurate" in his grand jury denial of sexual relations with Ms. Lewinsky. "The president is going to lose if they continue to do that," said Senator Bob Kerrey, another Democrat.

The bottom line is that the president has to give the country room for a pragmatic judgment that does not require a societal endorsement of his pathology. After all, experience has taught that to vote for Mr. Clinton, to work for him, to be his relative requires throwing the normal rulebook of political decorum out the window. The public may decide that is the pragmatic course in this case, but such a choice should not rewrite acceptable standards of conduct for future presidents. Voters and Congress are now in the process of deciding whether it is better to tolerate the hobbled leadership created by Mr. Clinton's sense of entitlement and invulnerability than to interrupt the quadrennial rhythm of the political process.

For that to happen, Mr. Clinton needs to abandon his defiant insistence on public acquiescence to his perjury. Only then can he possibly escape the ultimate political disgrace. As for the American people, if they choose the path of limited sanction, they ought to do so with a vow of remembrance about the costs of accepting a person who has presidential-scale vision but lacks matching character, judgment and discretion.

—THE NEW YORK TIMES.

## Unity Over Burma

With the economy deteriorating and its political control slipping, Burma's military regime has responded in the only way it seems to understand — with more repression. About 700 members of the National League for Democracy, including 194 elected members of Parliament, have been detained in recent months, many in the past week. Some, including an octogenarian, were roasted from their beds.

The regime says the democrats were "invited" into custody so the regime could "present the government's view." Even before the latest roundup, three elected members had been in custody, and scores more were being held in often deplorable conditions.

Burma — or, as the current regime calls it, Myanmar — is a Southeast Asian nation of 46 million people with great natural wealth and beauty, a strategic location and a tragic modern history. In 1990, its military rulers permitted a parliamentary election, which they lost overwhelmingly to the National League for Democracy. They never have permitted the Parliament, which is Burma's only legitimate government, to meet.

Just last month, a commission of the International Labor Organization concluded after a yearlong study that Burma's regime — in particular its

military — engages in forced labor on a massive scale. This "gross denial of human rights" involves "pressing women and children to work ahead through suspected minefields, build roads and perform other dangerous and unpaid tasks. Resistance is met with torture, rape, beatings and murder."

At the same time, because of the regime's incompetence and increasing isolation brought about by U.S. economic sanctions, Burma's economy is declining rapidly. The World Bank recently declared the country ineligible for new loans because it has not repaid past ones, a signal to other lenders to stay clear, and is reconsidering a loan to neighboring Thailand for a power plant that would depend on natural gas from Burma.

Students recently staged their largest demonstration in years, despite obvious risks, and Buddhist monks have protested and been arrested. Instead of the dialogue requested by the democrats, the regime responds with more arrests.

The United States has spoken out clearly against the regime. Japan and Burma's neighbors in Southeast Asia should likewise make clear that more repression can only increase Burma's isolation.

—THE WASHINGTON POST.

## Other Comment

## Leave the Oval Office

What is needed now is action, and the only honorable action still open to president is to hand over the keys to the Oval Office — the inner sanctum of American executive power, which he has sullied in so many ways.

South China Morning Post (Hong Kong).

## Bigger Woes in the World

While the frantic, fleeing encounters between the president and Ms. Lewinsky were as sad and as sleazy as his subsequent lies, they are utterly

insignificant compared with the international economic crisis that has spread from Southeast Asia and north Asia to Russia.

Australian Financial Review (Sydney).

## Question of Self-Control

Clinton started to commit a string of stupidities which, regardless of whether or not they constitute criminal actions, seriously bring into question the capacity for discernment and self-control required to carry out his post.

El Mundo (Madrid).

## The Rise of Russia's Third Force — Gorbachevism

By Adrian Karatnycky

NEW YORK — The dramatic standoff between anti-reform Communist hard-liners and the moderately reformist administration of President Boris Yeltsin has yielded a stunning result in Russia: the ascendancy of a third force, the Gorbachevites, to the apex of Russian politics, and the return of Gorbachevism as the fundamental direction in Russian political life.

The three men who stand at the top of the new government — Prime Minister Yevgeny Primakov, the likely new first deputy prime minister and economic czar, Yuri Maslyukov, and the new Central Bank chairman, Viktor Geraschenko — were an integral part of the Gorbachev-led team that guided the Soviet Union in its waning days. Mr. Primakov was a key foreign policy adviser. Maslyukov ran the state planning ministry and served as deputy prime minister, and Mr. Geraschenko served as head of the central bank.

While none of these leaders today would acknowledge these links to the now-discredited former Soviet president, they are likely to pursue some of the policies that marked his last years in power.

Some might argue that the coming to power of these former Communists reflects the newfound power of the Communist and leftist legislators in the Russian Duma. In truth, Russia's newly appointed leaders have little in com-

mon with the populism and ultranationalism of the extremist Gennadi Zyuganov and his ragtag band of Communist deputies.

Indeed, the second coming of the Gorbachevites reflects the weakness of both the Communist and reformist political camps and the abiding power of Russia's industrial, raw materials and financial oligarchs (who fear the loss of their fortunes) and Russia's security and military elites (who worry about chaos). These power blocs have little trust in the policies of the hard-line Communists in Parliament and the radical reformers whom Mr. Yeltsin has booted from office. Russia's powerful economic oligarchs fear the rule of free-market reformers, who recently tried to force them to pay overtaxes and to scrap the system of favoritism and patronage that has characterized Russian-style capitalism.

Meanwhile, Russia's security elite fears that reformers will pare down their already meager military budgets. Nor do the oligarchs trust the motley crew of populists and ultranationalists who could challenge their immense wealth and power through a wave of nationalizations. And the security elite worries that the Communists could plunge Russia into chaos by pursuing

the politics of revenge against those guilty of "treason" for the loss of the Soviet Union.

The reins of government, therefore, have passed into the hands of a third elite, one that has been in mothballs for nearly a decade but is trusted by the military and economic elites. What, then, does the return of Gorbachevism mean for today's Russia?

While they are likely to increase the role of the state in the economic process dramatically, these new leaders are not entirely hostile to the private sector. Under Gorbachev, they had supported limited efforts to liberalize the economy and establish property rights.

Mr. Geraschenko, who headed the Soviet and the Russian central bank, became a favorite of the "red directors" and the new oligarchs in the early 1990s when he resisted efforts to restrict the money supply. His policies fueled hyperinflation and accelerated industrial decline but enabled Russian enterprises to survive through massive state subsidies and made it possible for Russia's new financial oligarchs to profit from the resale of state-subsidized loans.

Can neo-Gorbachevism survive for long? Probably not. The Primakov-Maslyukov-Geraschenko troika is likely to represent Russia's last determined attempt to run a state-dominated economy. But the new Russian

economic elite, which today has decisive influence in the shaping of government policy and control over most of the country's information media, is comfortable with such a state-dominated approach provided it can stage-manage Russia's acute economic crisis while allowing the oligarchs to secure needed subsidies, consolidate their monopolies and oligopolies and live to fight another day.

Glasnost and perestroika are words that were once their welcome under Mr. Gorbachev's inept rule and are unlikely to re-enter the Russian political lexicon. But the return of a Gorbachev-era team makes it likely that we will see a Russia that implements perestroika's half-baked statism, coupled with glasnost's limited tolerance for personal freedom and political expression.

In short, the rule of the 60-somethings who have returned to power will mean the consolidation of a patrimonial statist-capitalist system that is far from the ideas of economic and political liberty but is not so far removed from some of the ill-formed ideas that animated one of contemporary Russia's most-scorned political figures — Mikhail Gorbachev.

The writer is president of Freedom House, a nonpartisan human-rights organization in New York. He contributed this comment to The Washington Post.

## Europeans Wouldn't Be So Lenient About the Big Lie

By Josef Joffe

MUNICH — Does "Bill and Monica" play in Pisa? You bet, every night and every day. Lowbrow or high, glossy or dull, the media between Lisbon and Lodz are doing exactly the same as their counterparts in the United States.

If the European newspapers and oews shows do not feature the collapse of Russia or the slow death of Congo, Kenneth Starr's 36 boxes of evidence and the president's lip-smacking apologies are sure to fill the space.

Except that Le Monde or The Times of London do not devote 19,000 lines per week to the story. Europeans like the story not only as an inexhaustible source of titillation; hanky-panky in high places, after all, has an even greater universal appeal than the tales of the Brothers Grimm.

Europeans also relish the saga because it allows them to crow a bit. They may suffer from low

growth, high unemployment and movies that do not sell. But at last there is something to burnish their ancient sense of cultural superiority toward their upstart relatives across the sea. If Americans are not crass and money-grubbing, they are blue-nosed Puritans, always ready to convulse with collective hysteria when their politicians paw somebody who is not their spouse.

Never mind that Puritanism has been out in America since Hollywood's Hays Office, the self-censorship board that allowed only simulated kissing between fully clothed adults, closed shop in 1966. Europeans love to think that they are wise to the ways of the flesh, and prudently forgiving where Americans let their prurience run riot.

It is true that Europeans are — or used to be — more relaxed when treated to the eternal drama of sex and power. But

that is where the free ride ends. When sex leaves the bedroom and collides with the public trust and high affairs of state, Europeans have been just as relaxed as was Savonarola. Re-

tribution, in fact, has come more swiftly than in the case of Bill Clinton, who is only now, eight months into MonicaGate, facing the prospect of impeachment.

Remember John Profumo, the British defense minister, and his affair with Christine Keeler, who had also pleased a London KGB man? He lied about it to Parliament in 1963 and was immediately sacked. His German colleague Franz Josef Strauss overstepped bounds when he sipped the police on a hated newsmagazine and lied about it to the Bundestag in 1962. He, too, was forced to resign posthaste.

Willy Brandt, German chancellor from 1969 to 1974, presumably could have said about himself what Lyndon B. Johnson

was said to have sputtered when treated to yet another report of Jack Kennedy's sexual prowess: "I've had more women by accident than he did by design."

Yet when it turned out that Guenther Guillaume, the aide to Brandt who knew most about his extracurricular activities, was an East German Stasi spy, it was "good-bye" to Willy and "hello" to Helmut Schmidt.

The point is: If you lie, you go, and if you are stupid enough to philander your way into a black-mail trap, you fall even faster. Americans, who are more pragmatic than puritanical, in fact have been more lenient with Bill Clinton, both before and after the Big Lie.

While holding a low opinion of his morals, they continue to give him good grades on performance. In Europe, he would have departed for the Abruzzi by now, the continental version of Arkansas. In the United States, he is still protected by a Constitution that turns the firing

of the chief executive into a long-drawn-out and traumatic process.

(It has been tried only once, in 1868, and then in vain.) Europeans do not really understand the exotic tribal habits of their cousins from across the sea — but, then, how many Americans can fathom this daily soap opera revolving around Ken, David, Monica and Bill? If Europeans crow, they crow softly. They take pride in their worldly ways, in their premiers criss and their magnificent rouseums. But they know that the fate of the world now rattled by too many crises large and small, rests on the shoulders of Mr. Big.

As they watch his agony, they wish that it were over swiftly — in one way or another.

Josef Joffe is editorial page editor of Sueddeutsche Zeitung in Munich. He contributed this comment to The New York Times.

## Half Measures in Kosovo Won't Halt Milosevic's Terror

By Bob Dole

WASHINGTON — A few days ago I returned from a human rights and fact-finding mission to Kosovo with the able assistant secretary of state for human rights, John Shattuck. I was last in Kosovo in 1990, when the repression against the Kosovar Albanians had just begun. At that time, I joined the few voices warning the Bush administration that war would come to Yugoslavia.

As terrible as the war in Bosnia proved to be, the war that the Bush and Clinton administrations claimed to fear most was in Kosovo, where the conflict easily could spread to neighboring countries. As a result, President George Bush warned the Serbian leader, Slobodan Milosevic, that the United States was prepared to use military force against Serb-instigated attacks in Kosovo.

When he took office, President Bill Clinton repeated this warning. Yet, at this moment, only an hour's flight from NATO headquarters, Serbia is engaged in major, systematic attacks on the people and territory of Kosovo.

Before this trip, I had seen TV reports of the suffering in Kosovo. These images, however, were a pale reflection of the devastation of lives, property and society that we witnessed in Suva Reka, Oranovac, Malisevo and other towns. Many homes have been fire-bombed. Villages have been abandoned. We encountered armed Serbian police every few kilometers. The remaining Albanians, mostly women, children and the elderly, are living in fear for their lives.

Ironically, they were the lucky ones, living in their homes by day and fleeing to the hills at night. Tens of thousands of others are afraid to return at all or have lost their homes. During our visit we also heard chilling testimony from witnesses to abuses and atrocities, including direct artillery attacks on civilians, seizures at gunpoint and — as in Srebrenica in

Bosnia — the separation of women and children from men.

The war in Kosovo has many of the worst characteristics of the war in Bosnia. The primary victims of Serbian attacks are civilians. Humanitarian workers are denied access and often are harassed and attacked. But it is not just the situation on the ground that is hauntingly familiar; it is also American and European diplomacy.

Again, the victims are being asked to negotiate with those who are attacking them. In addition, there is an active attempt to impose a moral equivalence between Serbian forces and the small band of Albanians who have taken up arms against them. Again, Western diplomats are trying to make "deals" that would lead to a just, permanent or democratic solution. And again, Mr. Milosevic is being courted, cajoled and bribed to end the suffering that he has wrought.

When I met with Mr. Mi-

losevic this month, he did not act like a man cowering in fear of NATO action. Instead, he acted like a man who had gotten away with murder and would be rewarded for it. He denied that any offensives were under way or being planned, yet within 24 hours of our departure, a serious offensive was begun in the region of Pec.

With 300,000 displaced persons and winter approaching, Kosovo is already a humanitarian catastrophe. However, the problem in Kosovo is not by definition a humanitarian one. It is a political and military crisis, whose most visible symptoms are humanitarian. There are those who claim that the situation in Kosovo is "complicated." That is an excuse for inaction or, at best, ineffective action.

The situation in Kosovo could not be clearer. This is a war against civilians, and we know who is responsible: Slobodan Milosevic. The time is long overdue for the United States to embrace a policy that will end Mr. Milosevic's reign of terror in Kosovo. The failure to address the status of Kosovo at Dayton may be the single greatest failure of the already badly flawed Dayton peace process.

The United States and its NATO allies must press for a

cease-fire and withdrawal of Serbian police and military by a date certain. It must back this with an ultimatum to use rapid force immediately and effectively.

With a cease-fire and withdrawal of all Serbian police and Yugoslav Army forces, people can return to their homes and rebuild their lives with international assistance. Moreover, only if civilians are not under attack can Albanian and Serbian leaders engage in genuine negotiations with the goal of achieving a sustainable peace built on democratic institutions. Such a peace would guarantee that instability would not spread into Macedonia and Albania.

Half measures and ineffectual deals will not do. The options are not easy, but that cannot be justification for Band-Aid diplomacy. American officials have pledged not to allow the crimes against humanity that we witnessed in Bosnia to be repeated in Kosovo. From what I have seen, such crimes already are occurring. What is urgently needed now is American leadership and a firm commitment to a genuine and just peace.

The writer, a former senator from Kansas, was the Republican presidential nominee in 1996. He contributed this comment to The Washington Post.

## Joining the EU Will Help Cyprus Heal

By Andreas Pirishis

PARIS — The conflict on Cyprus is not the result of inherent enmity between the Greek and the Turkish communities of the island.

It is the fruit of an unhealthy internal and regional political environment during the Cold War for which Greek and Turkish Cypriots bear but a small part of the responsibility.

With the Cold War behind us, many of the elements that contributed to the genesis of the problem are behind us, too. East and West are no longer exporting their antagonisms to Cyprus.

No one is afraid that the island may become a "Mediterranean Cuba" or another NATO base. With the Greek colonies who ruled from 1967 to 1974 having fallen into oblivion, their ideas have been abandoned both in Greece and on Cyprus.

What is now needed, and is long overdue, is a fair and just political settlement providing for the establishment of a truly independent, federal, hizonal and bicomunal Republic of Cyprus in accordance with the provisions of unanimously adopted United Nations Security Council resolutions.

Such a solution would allow the reunification of the island and its people. Demilitarization of the island — with the dismantling of the Cypriot Army and the withdrawal of the Turkish forces — will be a blessing. The government of Cyprus will save millions of dollars that now go for the maintenance and arming of the National Guard. President Glavkos Klerides has declared that the money saved will be used for the economic development of the Turkish Cypriot community.

At the same time, Turkey's military budget will be reduced by \$300 million to \$400 million,

the amount spent annually on the 35,000-strong army it maintains on Cyprus.

The search for a political settlement will be greatly enhanced by such developments and by prospects for Cyprus's accession to the European Union. The EU is the element we need to break the Cyprus deadlock.

Membership by Cyprus in the EU would serve the interests of the population of Cyprus as a whole. It holds the best answer to any security concerns that Greek and Turkish Cypriots might have and would create a favorable environment for reconciliation and cooperation between the two communities.

The opening of the door to the European market would give new impetus to economic development. This would benefit mostly the Turkish Cypriots, who, since the invasion of the island by Turkey, have seen their economic and social standards deteriorate steadily.

The stumbling block is the lack of vision and political will by the Turkish government. Turkey since 1974 has pursued a policy based on the premise that might is right.

Contrary to international law and the will of the world community, Turkey continues to illegally occupy 37 percent of our territory and hopes that time will legitimize what it has created by the use of force.

Cyprus is a challenge presenting two alternatives: Pursue a negotiated, just solution from which all stand to benefit, or prolong the status quo, an aberration detrimental to all parties and to the cause of peace.

The writer, the ambassador of the Republic of Cyprus to France, contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Evil Anarchism

PARIS — [The Herald says in an Editorial:] Impressed by the menace of anarchism, the *Novosti* makes the suggestion that the Peace Conference might be called upon to discuss joint methods for stamping out the evil. It sees in the system of "armed peace," now prevailing, the origin of the social and international relations which engender a proletariat and a disregard for human life — two factors in the genesis of anarchism. By abolishing militarism, the *Novosti* hopes to see anarchism disappear, for the nations would be able to enter into arrangements among themselves for removing the evil.

## 1923: Spanish Revolt

PARIS — Although the military leaders in Barcelona are claiming nation-wide success in achieving a bloodless revolution

and are acclaiming Marquis de Estella as a Spanish Mussolini, who is going to restore the crown and prestige of Spain among nations, serious conflicts are still probable. Marquis de Estella is playing for popular support and he has taken a leaf out of Signor Mussolini's book by declaring that the new Government will ruthlessly repress Communism and Anarchy.

## 1948: MacArthur Bati

TOKYO — Lieutenant General Kuzma Deresvanko, Soviet Allied Council for Japan, called upon General Douglas MacArthur to rescind his ban on strikes by government workers and cease "repressive measures against public employees." Faced by increasing labor opposition to his government, Premier Ashida told the Chamber of Commerce that a bill to bar Communists from public office will be submitted to Parliament.

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## OPINION/LETTERS

So Much for Low Crimes,  
What About High Ones?

By William Safire

WASHINGTON — The scope of the independent counsel's initial referral is too narrow: Kenneth Starr was hired to look into worse abuses than the cover-up of a sex scandal.

President Bill Clinton's defense, however, is disappointingly weak: admit sin but deny crime, and beg forgiveness for lying while continuing to lie.

The central fact making a mockery of his misty-eyed "repentance" is this: He refuses to admit, even now, that he and Monica Lewinsky had a sexual relationship.

That phrase was precisely defined by a federal judge to include oral sex and intimate touching. He denied it falsely in his Paula Jones deposition; he repeated the false denial before a federal grand jury; even now he would have the nation believe that he never once touched Ms. Lewinsky's proffered bosom during their 10 Oval Office assignments. Nobody believes him because his look-no-hands assertion so patently defies common sense. Why does he persist in the lie? Two reasons:

1. If he admits lying in his January Jones deposition, the 8th Circuit Court of Appeals would likely reinstate Mrs. Jones's case. A jury would surely believe her now, which would cost Mr. Clinton a million dollars.

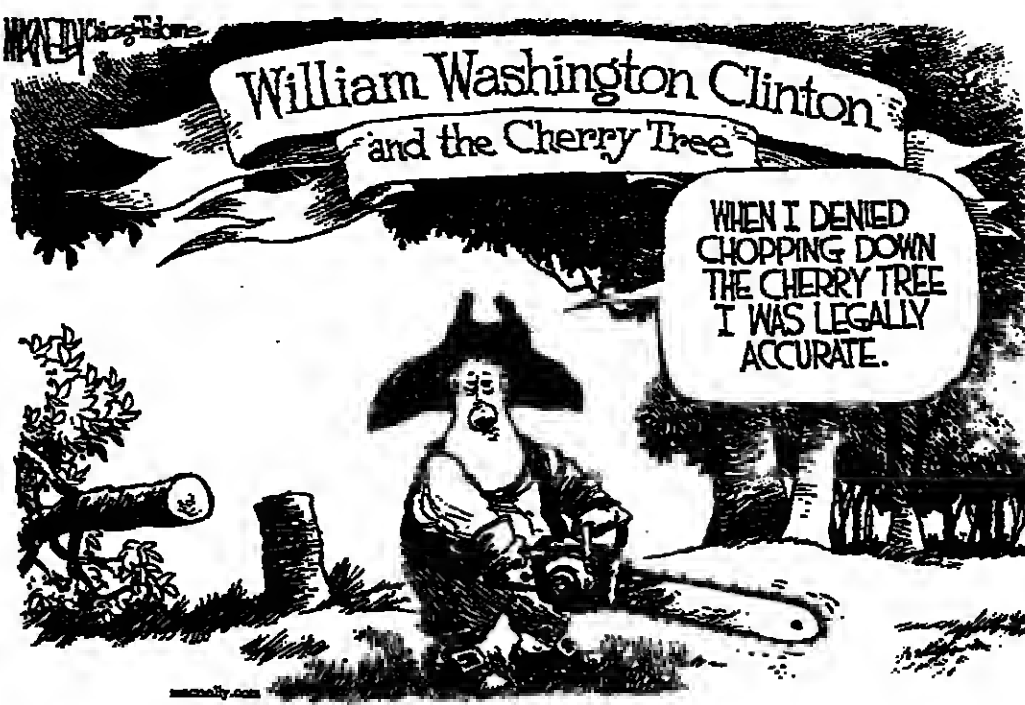
2. If he admits having repeated

to the grand jury in August his false and misleading testimony, the president would be confessing to perjury. That would be an undisputed crime in an impeachment, and whenever he left office might result in his arrest and conviction — the dread "Jail to the Chief."

Thus, his continued lying is not irrational. He runs great financial and legal risks in telling the whole truth. That is why we see his legalistic contortions and semantic evasions that turn truth on its head. Mr. Clinton's tactic is to limit potential loss.

But this continued lying will expose his false contrition, erode popular support and hasten his political demise. His defense strategy is overly cautious. He should realistically face up to the likelihood of House impeachment, and if he is to win Senate acquittal, he must risk all. That means telling the whole truth now and gutsily facing the consequences later, which would give credence to his argument that the concealment of adultery is not the "high" crime that justifies removal.

He would win back considerable respect by pledging to reject any pardon and during the independent counsel to bring him to trial for perjury on Jan. 21, 2001. (Not much of a gamble; no District of Columbia jury would convict him.) And while he is at it, apologize to Paula and settle her case. Mr. Clinton does not have it in



his character to cut out the present artful dodging and do this, of course; it would be the political equivalent of all-out, clothes-off intercourse. Someday he may look back and say, "If I had only dared..."

Now to Mr. Starr's unfinished business. His referral completes less than one-fourth of his assignments. He is duty-bound, after these four years, to come up with indictments or criminal informations on the Whitewater obstruction, the Clintons' abuse of Justice Department prosecution to make places for travel office patronage, and the invasion of 900 FBI files by White House snoops. Or to report on those investigations if

they exonerate Hillary Clinton, Bruce Lindsey, Craig Livingstone et al, which would force calluminiators like me to eat crow and thereby lessen impeachment heat. In the sex cover-up, we see direct conflicts of grand jury testimony. Ms. Lewinsky swears that Vernon Jordan told her at a breakfast to destroy evidence, but the president's friend insists the breakfast never happened; on another front, Mr. Jordan's testimony conflicts with Mr. Clinton's. Is the prosecutor fearful of being trounced in jury trials, where rules of evidence and presumption of innocence apply — as they do not in his House referral? Surprises may be in store. "All

phases of the investigation are now nearing completion," Mr. Starr promises in his report. Do they show a pattern of deceit and delay, of stonewalling and spinning, of perjury and abuse of power on heavy political matters — Clinton habits so dramatically demonstrated in the cover-up of a sex scandal? Many will find poetic justice in Mr. Clinton's escaping discovery of high crimes and being brought down by lower crimes. But poetic justice, or rough justice, is not real justice. If forthrightly confessed, perjury about workplace dalliance should not be enough to force out a president.

The New York Times.

Noël Coward Would Know  
Exactly How to Treat This

By Gwen Davis

PARIS — I am so sad that Noël Coward is dead. What a bedroom farce he could have made from this one: the bespectacled prude in pursuit of his lighthearted prey, the loose-fleshed lecher on the phone to the Hill with a smile on his face, and the dear little girl herself — believing it might go somewhere, discussing her romance with a television psychologist, who will now, probably, go back on the air and be syndicated. What a cast of characters. But who is there to play them?

## MEANWHILE

Madonna is too old to be Monica. We are all too old to be Monica, and yet we have all been ingenious, eager to believe we had a Good Goy. And in many ways we did. But this is not Hubris that challenges the Olympians. This is no mere fist shake at the gods. This is arrogance at once so impudent and so silly, to shake not exactly one's fist in the face of a prosecutor more relentless than the tracker of Jean Valjean, to imagine that a halfway off the Oval Office would be a safe haven, and private because there were no windows, when all the world is connected to Windows 95.

Oh, I am so embarrassed and sad for my country, that we should hold ourselves up worldwide, and on the Internet, to such ridicule. And I am so sad for that Boy Scout who shook hands with John F. Kennedy in the Rose Garden, who wanted so much to be like him and succeeded in the least estimable aspect — and then without his idol's discretion, such as it was, and certainly none of his taste. And I am so sad for all the little boys — and now girls — who will never want to grow up to be president.

But mostly I am sad that there is no Noël, who could see this as the outrageous comedy it is, and put it in perspective, with people running in and out of doors opening and closing, hiding under beds, or in this case, desks, or, alas, bathrooms.

No, Noël would have had too much style for that. Still, how he would have chortled at our puritanical, prurient frenzy to get into a man's private life, and, once having invaded it, our horror at discovering how less than circumspect it was.

Or maybe I've got the wrong playwright here. Maybe it is really Arthur Miller who should be writing this, with strains of "The Crucible" and "witch-hunting." But what do you do when the target himself jumps into the pot and says "Cook me!"

Surely not Shakespearean, this construct: no MacBeth or even Coriolanus, no hero here with a fatal flaw. Just a really bright guy with great verbal dexterity, a couple of worthwhile dreams, but no restraint, and a penchant for high-haired women and lying. But maybe like Bill Clinton himself, I have aimed a little too

*He would have chortled at our puritanical, prurient frenzy to get into a man's private life, and, once having invaded it, our horror at discovering how less than circumspect it was.*

high. Maybe the one who could have written this best is Al Capp, in "Li'l Abner."

Still, he's dead, too. So let's grieve for Noël, who might have sung, to a chorus of "Don't put your daughter on the stage, Mrs. Worthington." "Don't send your daughter to the White House, Mrs. Lewinsky." Excuse me, Marcia Lewis.

Even the walls of that staid building must be blushing.

*The writer is the author of the recent novel "West of Paradise." She contributed this column to the International Herald Tribune.*

*Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.*

## LETTERS TO THE EDITOR

## The NATO-Russia Link

Regarding "NATO's Link With Moscow Floundering" (Sept. 5): No one questions that the political and economic difficulties Russia is facing will affect many issues — in ways that are still not clear. But there is no evidence here at NATO that it will necessarily diminish our developing partnership. On the contrary, I have admired the work of the new Russian ambassador, Sergei Kislyak, who has moved beyond rhetoric and succeeded in putting substantive matters, including military infrastructure and arms control, on the agenda in Brussels.

NATO-Russian consultations on Kosovo, despite our well-

known differences on the subject, have been especially valuable to all sides. These intense discussions have brought our analyses of the situation closer and helped to coordinate efforts to find a political solution to the crisis.

Russia and the West do not agree on how to approach every problem before us. But neither do the United States and its closest allies. The point is that in the NATO-Russia Permanent Joint Council we have a mechanism for discussing our differences, for co-operating and finding common ground. Indeed, we have every reason to believe that Moscow understands how much it is in Russia's interest to continue to work together with NATO.

"Floundering" is not a word that would have occurred to me in connection with the NATO-Russia Council. Nor do I think that the article upheld this assertion. As far as we can tell, no one at NATO contributed to this information. It seems to have been based on a quote from a Bonn-based German official; it is not clear that the quote is even connected to NATO.

Vague statements that the "mood is gloomy" at a building not visited by the reporter and that a Russian general "all but acknowledged" — meaning that he did not acknowledge — Russian opposition to activities not thought to be in its interests, do not fit the caliber of well-confirmed facts which we usually as-

sociate with your newspaper. ALEXANDER VERSHIKIN, Brussels.

*The writer is the U.S. ambassador to NATO.*

## Still Closed in Cuba

Regarding "Food for the Cubans," *Opinion*, Sept. 4:

The editorial was right in quoting Pope John Paul II as saying that "the world should open up to Cuba." However, it neglected the rest of the Pope's plea: "that Cuba open itself to the world."

The fact is that the world continues to open itself to Cuba, but Fidel Castro has yet to open Cuba to the world or, more important, to allow the existence of civil society

and open Cuba to the Cubans.

Food shortages began when Mr. Castro imposed a Marxist command economy almost 40 years ago. It is not simply a question of mismanagement. Shortages and Communist economics go hand in hand. To the extent that there was a minimal economic opening a couple of years ago, it was because of the pressures exerted upon Mr. Castro. As the pressures receded, he cancelled those reforms.

Channeling assistance through the regime without insisting on full accountability will simply strengthen the regime's repressive apparatus and vitiate the need for economic reform.

FRANK CALZON, Washington.

## BOOKS

## THE GUN RUNNER'S DAUGHTER

By Neil Gordon. 316 pages. \$24. Random House.

Reviewed by Chris Bohjalian

IN the old days — i.e., before the Iran-contra scandal came under public scrutiny in the mid-1980s — you didn't have to be a fanatic (or a nincompoop) to appreciate a talented gunrunner. Arms dealing was never considered a particularly ennobling profession, but at least we viewed the modern gunrunner with a certain amount of respect. He dressed well. He spoke several languages. And he never flew coach. Now, of course, we know that gunrunners are not merely amoral. They're inept.

Enter Ronald Rosenthal, the fictional gunrunner in Neil Gordon's wonderfully suspenseful second novel, "The Gun Runner's Daughter." Rosenthal is a throwback. He's smart, successful, and — depending, certainly, upon one's politics — he just may have a moral spine. Sure, land mines and cluster bombs have made him rich, but he had the common sense to oppose selling weapons to Iraq in the late 1980s. And, at the clandestine request of officials within the Clinton administration, he was willing to covertly arm the beleaguered Bosnian Muslims in 1993 and 1994, despite the United Nations embargo. Moreover, Rosenthal is a self-made man. The son of Holocaust survivors, he has risen from a small apart-

ment in Brooklyn's Borough Park to a home on Park Avenue and an ocean-front estate on Martha's Vineyard. As a young man, he served in the Israeli Army and graduated from Yale Law School. When his wife walked out, leaving him with their two teenage children, he did his best to finish raising them.

His daughter, Allison, is 27 years old when the book begins. She's brilliant, she's tall, and she's a real traffic stopper in a black Versace dress. She has also shed most of her Jewish identity, including her given name, Esther.

Soon after the novel opens early in the summer of 1994, Ron Rosenthal is arrested in his Phoenix hotel room for illegally selling arms to Bosnian Muslims. Rosenthal claims that he was only following a secret White House policy, but the White House does not merely distance itself from the gunrunner, it seems to be orchestrating his prosecution. Consequently, Rosenthal flees the country for Israel as soon as he is out on bail, aware that he will be tried that fall in absentia.

Allison realizes quickly that her father's arrest jeopardizes her future as well as his. Suddenly, the New York law firm where she is working between her second and third years of law school wants no part of her, the government plans to seize the family compound on Martha's Vineyard, and she can't sneeze without a reporter wanting to interview her. Especially disconcerting is the presence of Nicky Dymitryck, a writer who, curiously, seems more in-

terested in her father's connections to a U.S. Senate candidate from California than in his impending trial.

Worse, one of the U.S. attorneys assigned to prosecute her father is none other than David (Doc) Dennis, son of a White House counsel and her secret lover when the two were teenagers on Martha's Vineyard. When Doc goes to see Allison, he plans to tell her he is going to recuse himself from the case, the pair instead become surreptitious lovers once more.

In less capable hands than Gordon's, this premise has the potential to become an embarrassing tangle: implausible and silly but (at least) suitably diverting. But Gordon is a profoundly intelligent writer; as he demonstrated in his first novel, "The Sacrifice of Isaac," he also has a good head and a big heart. His characters are alive and real, and he is far more interested in the ethical ambiguities surrounding the people on both sides of the trial than he is in car chases and shattered glass. The tension that propels "The Gun Runner's Daughter" concerns not simply whether Ron Rosenthal will be acquitted but also which side Allison will be on at the end of the story.

Gordon has clearly done homework into the intricacies of arms dealings, and "The Gun Runner's Daughter" offers a fascinating glimpse into the business. The result is a complex novel, rich with drama, moral nuance and surprises.

Chris Bohjalian, the author, most recently, of the novel "Midwives," wrote this for *The Washington Post*.

## CHESS

By Robert Byrne

VIKTOR KORCHNOI, 67, has won first prize in his last two tournaments, in June in Sarajevo and in July in Bad Homburg, a suburb of Frankfurt. His games are spirited and aggressive.

In the eighth round at Sarajevo, Korchnoi crushingly defeated the Bosnian grandmaster Zdenko Kozul with a mating attack.

In recent years, Korchnoi has made a great reputation with the Classical Variation, 5.Nf3, so the 5.f3 of the Saemisch Variation comes as a small surprise. The Saemisch guards the white center against counterattack and leaves open the question of where White will choose

to attack, by a pawn mass on the queen-side or a mating attempt on the king-side.

Kozul's 7...Nbd7 blocked the black queen bishop and thus let Korchnoi develop with 8.Nh3, but whether that is anything serious depends on the course of the game.

With 8...a6, Kozul aimed for 9...b5. Korchnoi stopped that with 9.d5, but after 9...cd 10.cd Nb6! 11.Nf2, Kozul counterattacked the white center with 11...e6 12.de Be6.

Korchnoi refused the pawn that he could have had with 14.Qd6 because 14...Nc4 15.Na4 Qa4 16.a3 Nd7 17.Rd2 Rf6 18.Bd3 (18.Be2 allows 18...Rc2!) Qa5! 19.Be3 Bb2 will win for Black.

After 18.O-O, Kozul's active piece placement just about made up for his weak d6 pawn. But he could not play 18...d5! because 19.e5 Nd7 20.f4 is strong for White. Perhaps he should just have intensified his grip on the c line with 18...Rc6, to be followed by 19...Rac6.

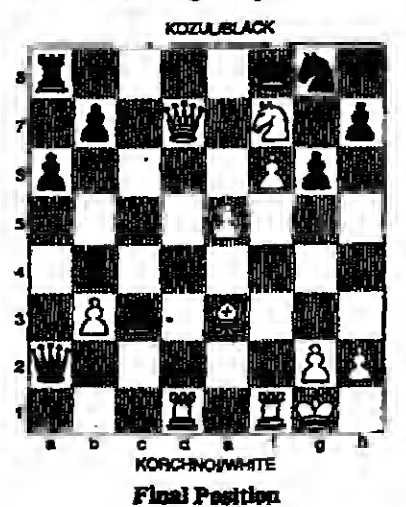
Maybe Kozul believed that he was getting fit for fat with 22.Qa2, but after Korchnoi's 23.Bg4! the black king was suddenly in trouble. The best defense was 23...Nf8 24.Be6 for, instead, Kozul surrendered a tempo to 23...Bg4? 24.Ng4.

He probably overlooked Korchnoi's 25.Nb6! Kg7 26.e5! and only then realized that 26...Kh6 27.f5 Kg7 28.e5

Bf6 29.fg hg 30.Rf6! Kf6 31.Qd4 Ke6 32.Qd6 Kf5 33.Rd5 leads to mate. If 27...g5, then 28.Bg5 Kg5 29.Qe3 Kh5 30.Rf4 Ng4 31.Qh3 Kg5 32.Rg4 Kf5 33.Qf3 Ke6 34.Qf6 mate.

Kozul's 26...Ng8 was hammered by 27.Nf7!, one point being that 27...Kf7 28.Qd5 Kf8 29.Bc5 Ne7 30.E5! is annihilating. Here, 28...Kg7 29.Qh7 Kf8 30.E5! is also a slaughter.

Nothing could stop Korchnoi. After 27...Bb4 28.E5! Rc3 29.f6 Kf8 30.Qd7, Kozul was looking at 30...Re3 31.Ng5 Ne7 32.fe, and he gave up.



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## Emerging as 'Test Case' for Both Clinton and NATO

Robert  
M. T. Tribune

first major foreign Clinton's weakened likely to come in the next few weeks. U.S. officials, and U.S. officials, are for the next three to four U.S. officials, who that he not be identified last Friday in Brussels in Washington dis- that in the last two weeks had met with aides about the first time in months.

White House is focused on salvage the president's per- an aide in Washington "once we get past his in- isis, both he and Congress are see that there is an issue about lity to act."

gred with the U.S. official who in Brussels that Kosovo had come seen as the "test case" that could the United States to restore belief

in its continuing ability to use NATO for managing crises in and around Europe.

Asked whether the allies would in- tervene in Kosovo in the face of Russian objections, the U.S. official said that "all of the allies don't want to see NATO blocked by a Russian veto, and we have told the Russians explicitly that, in extremis, we're prepared to act" with- out a United Nations Security Council resolution.

Earlier threats of NATO action have proved to be empty, and the American official candidly acknowledged that the West had floundered badly on Kosovo in recent months, partly because of bad intelligence about both sides' intentions there.

His lengthy presentation — in the presence of a dozen reporters, including a Russian — seemed to be a message of new Western determination to wrest an agreement on Kosovo's autonomy from Belgrade or take military action.

To an unusual degree, the U.S. official was forthcoming about military contingency plans, explaining that a NATO intervention would probably start with cruise missile strikes in Kosovo to cripple Serbian air defenses and special police installations there.

If that "warning shot" was ignored, he said, NATO could extend the air campaign to Serbia itself, knocking out the country's air defenses and then waging a sustained offensive of punitive strikes designed to make Belgrade pull back its forces and start negotiations on autonomy for Kosovo, a largely ethnic Albanian province.

Met with skeptical questions from re- porters about U.S. willingness to take military action, the official insisted that the question of Western intervention was "coming to a head" now as Washington measures the political consequences of the success by Slobodan Milosevic, the Serbian leader, in defying repeated threats by Washington and NATO.

Serbian forces waged war in the dis- sident province in July and August against guerrillas of the Kosovo Lib- eration Army, smashing it as a fighting force and emptying strategically located towns and villages of their ethnic Al- banian populations — in effect, winning the fight while NATO governments looked the other way.

It fits Mr. Milosevic's habit of "flying below the radar," the U.S. official said, referring to the Serbian leader's ability to profit from Western inattention to push ahead without provoking intervention.

Now, again, he could probably get off the screen in Washington by accepting a U.S.-brokered deal on autonomy for Kosovo, with a vote on independence in three years.

The U.S. official said that only weeks remain before winter overtakes refugees in Kosovo. But a NATO-led mission to provide humanitarian relief would invite comparison with early United Nations efforts in Bosnia — a pattern Western leaders have vowed not to repeat.

Conceding that NATO so far had failed to back up its stance on Kosovo, officials said that the lapse occurred largely because of a major U.S. intel- ligence failure. In the second half of July, U.S. intelligence officials thought that the Kosovo Liberation Army "could rip away Kosovo," the U.S. official said, explaining that Washington feared independence for Kosovo as a step likely to spread both separatism and Albanian nationalism in the Balkans.

Bad intelligence was also cited by European officials at NATO, who said that allied estimates this summer under- rated Serbian capabilities, especially the morale of regular army units in Kosovo.

"There was an idea that the Serbian military disliked the war and would stop once they'd knocked out the guerrillas," a senior NATO official said.

Secretly, a European ambassador said, Western governments hoped that a settlement might be easier if the Serbs "chastened" hard-line Kosovo separat- ists. But instead of stopping as expected, Serbian forces have aggravated condi- tions by emptying villages, even those outside the fighting.



ANGER IN PAKISTAN — Sunni Muslims trying to cross a barbed-wired fence Monday outside the Parliament house in Islamabad before the funeral of two of their leaders who were killed by gunmen Sunday.

## IRAQ: Parliament Threatens to End Remaining UN Cooperation

Continued from Page 1

the Security Council can keep an embargo in place indefinitely, but as Iraq expands its contacts with a wide range of nations — from Egypt to India — it expects to be able to erode the sanctions considerably.

The foreign minister of Iraq, Mo- hammed Said Sahaf, said as much in the spring when he visited New York before the last sanctions review. This would leave the United States and its allies on the Security Council with a hollow policy, increasingly unenforceable.

Iraq has used the oil-for-food pro- gram, under which it can sell limited amounts of petroleum for urgent civilian needs, to build commercial links and

open new avenues of trade and tech- nology cooperation.

Recently India, a friend of Iraq's at the time of the Gulf War, was the latest nation to sign a new cooperation agree- ment with Baghdad.

Uncom is in charge of dismantling prohibited Iraqi weapons systems and ensuring that the country does not have the means to rebuild them. Stopped by Iraq on Aug. 5 from making on-site inspections, Uncom's Baghdad-based experts monitor Iraq with sophisticated video cameras and air, water and soil sampling devices.

Iraq also said on Aug. 5 that what mon- itoring goes on will be permitted only as an "interim" gesture, pending Security

Council action. The Security Council's resolution last week was that action.

In Baghdad on Monday, the National Assembly also renewed threats against British and American inspectors, singling them out in what is apparently another attempt to divide Security Coun- cil opinion by provoking Washington and London.

## U.S. Will Ask UN Council to Act

The United States will ask the UN Security Council to take further steps against Iraq if Baghdad suspends the activities of all UN weapons inspectors, the State Department said Monday, Re- ters reported from Washington.

"This would constitute yet another flagrant violation of UN Security Council resolutions and a direct challenge to the authority of the council," the department spokesman, James Rubin, said during a daily briefing. "In that event, the council would have to consider further action."

Mr. Rubin said Secretary of State Madeleine Albright discussed Iraq over the weekend with the UN secretary- general, Kofi Annan, and the foreign ministers of Russia, France, Britain and Sweden.

"They made clear they agreed with the substance of the American position and would try to communicate the fool- ishness of the Iraqi position to the Iraqis," Mr. Rubin said.

Mr. Rubin said that it was first up to the Security Council to respond but that the United States had not ruled out options against Iraq, including military action.

## Islamic Rebels Murder 27 in Algeria

Reuters

ALGIERS — Authorities said here Monday that Muslim rebels cut the throats of 27 people overnight in the worst massacre in months in the North African country.

In a statement carried by the official Algerian press agency APS, the unidentified officials said that two other people had been seriously wounded in the attack in Ain Defla Province, an Islamist stronghold about 130 kilometers (80 miles) southwest of Algiers.

"Twenty-seven people were assassinated in a cowardly way by a group

of terrorists," said the statement, em- ploying the formula the authorities use to describe Muslim militants when they cut their victims' throats.

Algeria has been racked by violence since early 1992 after the an- thorities canceled a general election in which radical Islamists had taken a commanding lead. More than 65,000 people have been killed since then, according to Western estimates.

Ain Defla has been the site of sev- eral attacks against civilians that the authorities lay to Muslim rebels. The most recent was Aug. 29, when at least 10 people had their throats cut.

## IRAN: Army Poised at Border as Leader Warns Taliban to Make Amends for 'Past Errors'

Continued from Page 1

resort to force against the Taliban unless it sees no other alternative, and its harsh public words were moderated somewhat by private signals suggesting that no action was imminent.

Resident diplomats from Britain, France, Russia and China were summoned to Iran's Foreign Ministry on Monday to hear what one participant described as a pledge that in what is emerging as a showdown between Iran and the Taliban, Iran is determined to exhaust all diplomatic alternatives first.

At the same time, however, Iranian officials made clear Monday that in their view, the crisis has assumed a new urgency with the capture by the Taliban on Sunday of the Afghan town of Bamian, the last major city held by an opposition force that it had provided with clandestine military support.

International human-rights groups

have said that Taliban forces may have killed thousands of civilians, most of them Shiite Muslims, after taking con- trol last month of another Afghan town, Mazar-i-Sharif.

Though Taliban officials have pledged that civilians in Bamian would not be harmed, United Nations officials said they were "extremely concerned" about the situation, and Iranian press reports suggested that a wave of Taliban reprisals might already have begun.

On Sunday, Iran's envoy to the United Nations, Mohammed Hadi Nejad-Hos- seini, met with Secretary-General Kofi Annan to urge that the UN "promptly and resolutely react" to avert what the Iranian warned could be killings on an even broader scale. In his statement Monday, Ayatollah Khamenei delivered a fervent appeal that he addressed in particular to other Muslim leaders.

"Do not let thousands of Afghan- istan's disinherited people become vic-

tims of the Taliban's mischief," he said. "Do not allow the religious war and bloodletting carried out by this ignorant, backward and cruel group in Afghan- istan to spread — God forbid — to other parts of the Islamic world."

With its Shiite Muslim majority, Iran has long looked askance at the Taliban, extremist followers of a purist version of Islam's dominant Sunni faith. Neither regards the other as true Muslims, and that suspicion has long spilled over into rivalry, with Iran an important backer of the Taliban's opponents.

But it has only been in the last month, with the deaths of the Iranian diplomats and with Taliban gains that have put the movement in control of nearly all of Afghanistan, that Iran's opposition has hardened into a military buildup and explicit threats.

About 70,000 Iranian Revolutionary Guards have been deployed near the Afghan border since they carried out

## A Picasso Painting Went Down on Jet

ZURICH — The Swissair air- liner that crashed off Canada earlier this month was carrying a painting by Picasso, "The Painter," and nearly 60 kilograms (130 pounds) of valuables including 50 kilograms in currency, an official said Monday.

All 229 people on board died when Swissair flight 111 crashed into the Atlantic after reporting a cockpit fire.

Another picture, which was not identified, as well as watches and two kilograms of diamonds were also said to be among the valuables on board. (AFP)

## Israel Tests Missile For Defense Shield

JERUSALEM — Israel an- nounced Monday that its Arrow-2 missile successfully destroyed a simulated target in the first com- prehensive test of the anti-missile missile's systems.

The Arrow-2 is intended as a defense against ballistic missiles possessed by Iran, Iraq and other potential enemies such as Syria or Libya.

It is being developed jointly with the United States, and can be in- tegrated into U.S. missile defense systems.

The missile was fired from the seaside Palmachim base and arched toward the sea on a flight lasting 96 seconds, Israel Radio reported. The missile systems tracked and downed a "virtual," or simulated, target. (AFP)

## U.S. Arrests 10 As Spies for Cuba

MIAMI — Ten people have been arrested in Miami on charges of spying for the Cuban government, U.S. officials said Monday.

The 10 were arrested for es- pionage conducted on behalf of the government of Cuba, the U.S. At- torney's office said.

John Schlesinger, a spokesman, said he could not give further details about the arrests, but added it was a major case. "It's huge," he said.

Details of the alleged espionage were sketchy. Leaders of Cuban ex- ile organizations in Miami said it was related to the 1996 shooting down of two aircraft flown by the exile group Brothers to the Rescue. Four people were killed in the in- cident, which set off an interna- tional furor. (Reuters)

## Two Old Foes In Caucasus Seek Accord

By Stephen Kinzer  
New York Times Service

YEREVAN, Armenia — In a week that saw the first high-level contact in years between Armenia and Azerbaijan, leaders of both countries said they were eager to resolve an ethnic conflict threat- ening to ignite the Caucasus.

The conflict is over the disputed en- clave of Nagorno-Karabakh, which the world recognizes as part of Azerbaijan but which has been held since 1994 by its ethnic Armenian majority.

Fighting that ended that year took more than 35,000 lives and forced hun- dreds of thousands of people to flee.

A resumption of fighting could be disastrous, because the Caucasus today is delicately balanced between prosper- ity and chaos. Huge reserves of oil have been discovered under and around the Caspian Sea, but ethnic conflicts in places like Nagorno-Karabakh could abort the expected boom and plunge the area back to the anarchy of the 1990s.

There has been no substantial move- ment toward a settlement of the conflict, and the sides remain so far apart that some fear another war. But a week ago, the prime minister of Armenia, Armen Darbinyan, flew to Azerbaijan to attend a regional trade conference.

Before meeting privately with his guest, President Heydar Aliyev of Azerbaijan told reporters that he looked forward to "the restoration of friendship between Azerbaijan and Armenia in the context of a peaceful resolution in Nagorno-Karabakh."

It was the first time in memory he had made such a statement.

A team of diplomats from Russia, France and the United States has been searching for a solution to the Nagorno-Karabakh dispute. They want the moun- tainous enclave returned to Azerbaijan but given "maximum possible auton- omy."

Armenia has rejected that framework, vowing never to allow Azerbaijan to rule there again.

In an interview here after Mr. Aliy- ev's remarks, President Robert Kocharyan of Armenia said "stand- ard approaches" could produce a "unique solution" in the enclave.

He mentioned several possible mod- els — Northern Ireland, which has broad powers to run its affairs but remains under British sovereignty; Bosnia-Her- zegovina, where a joint presidency rep- resents the three principal ethnic groups; New Caledonia, a self-governing "over- seas territory" of France; and Andorra, a principality that holds a seat in the United Nations but whose nominal rulers are the president of France and the bishop of Seo de Urgel, Spain.

Mr. Kocharyan said he could accept a token role for Azerbaijan in the enclave to allow it a measure of "face-saving."

But Azerbaijan, which is poised to earn billions of dollars from oil exports, is seeking to save much more than face. It wants Nagorno-Karabakh back, and could use its coming wealth to build an army capable of retaking it.

Mr. Kocharyan said he was not wor- ried about such a counterattack.

"Are you sure the rich man fights better?" he asked. "In 10 years, who will be ready to fight and die, and for what? In 10 years, any attack on Nagorno-Karabakh would be viewed by its residents as an aggression against their country. For the Azerbaijani Army, Karabakh will be just a memory. Who will be more willing to give their lives?"

Mr. Kocharyan rose to power on the Nagorno-Karabakh issue. He is a former leader of the enclave, and was elected Armenia's president in March after the army forced his predecessor, Levon Ter- Petrossian, to resign.

Military chiefs suspected that Mr. Ter-Petrossian was preparing a com- promise with Azerbaijan.

"We cannot accept anything less than Karabakh being de facto Armenian," said Armen Avizian, a historian and foreign policy expert. "It should be under unchallenged, permanent Armenian military control. After that, Andorra could be negotiated. All kinds of solu- tions are possible."

Mr. Avizian acknowledged, however, that there seemed little prospect of Azerbaijan's accepting such a formula.

"I personally don't see any solution in the time ahead," he said.

## Kohl: On the Campaign Trail, Chancellor Shows No Sign of Acknowledging Social Democrats' Lead in Polls

Continued from Page 1

dozens of his audience of old friends in Oldenburg made for a brutal con- tradiction. Now, after the excellent per- formance on Sunday of the Christian Democrats' sister party in regional vot- ing in Bavaria, that evidence seems less overwhelming. The polls that still make Mr. Schroeder a winner, also say that 33 percent of the electorate remains un- decided, and that 79 percent of all voters regard the race as wide open.

In his campaign speeches, the chan- cellor reaches out for history as his run- ning mate — and leaves explanations for the country's 10.7 million unemployed, its diminished competitiveness, its mounting divisions between rich and poor, the disintegration of its confidence in the survivability of the welfare state, and his own stymied reforms as a mumbled middle passage between the honor he brought Germany in the past

and the security and comfort he promises to guarantee it in the next years.

Who are Mr. Schroeder and Mr. La- fontaine, he asks, with emphasis on the partnership between the Social Democrat candidate's popularity-through-imprec- sion and the palpably hard-left thinking of the man who controls the party apparatus.

Both voted against the North Atlantic Treaty Organization's missile decisions when it counted, he says, both stabbed Chancellor Helmut Schmidt in the back leading to his ouster in 1982, and both refused to vote for the enabling legislation that brought the two Germanies together.

In response, the crowd is mostly still, as if it could barely care, hearing old stuff from an old man.

The chancellor goes on: those two, they are "too cowardly" to lead.

"Schroeder and Lafontaine demand treason to the old principles of the SPD," he said.

"They are a shame to the great tra-

dition of the SPD. If they need a vote, they'll take it from the Communists," he added, referring to the Eastern Ger- many-based Party of Democratic So- cialism that the Christian Democrats claim will be a silent partner in any new government led by Mr. Schroeder.

"It's a scandal," the chancellor shouts.

The voice softens in the last third of the speech: Germany is bouncing back. There's a clear positive trend in the job market. We'll create new jobs, keep pensions, and strengthen school and training programs. We'll make things tough on speculators who take their money out of Germany instead of in- vesting it at home, and we'll squeeze the welfare cheats and lazybones.

"We've got stable money and prices, and that's the best social policy you can have," Mr. Kohl insists.

For the local candidates, who shift their weight at his side, holding dutifully

to a coat of arms or looking like they are afraid to be touched by one, the talk later is about whether he can still do it. One Bundestag member, who rode with Mr. Kohl recently and reported that the chan- cellor was foisting a horrible new cham- pagne and tomato juice concoction on his parliamentary traveling companions, said that Mr. Kohl's mood was remarkable.

The chancellor was telling candidates that fighting daily in campaign rallies had never been so important because the elec- torate had never been so un-ideological and distant from party allegiances.

Then came the downside. The Russia turmoil had not brought as much of a reaction as the chancellor would have expected. In retrospect, the Christian Democrats' focus on the Social Demo- crats' tax-reform program had only empha- sized that it never came to life. And the Christian Democrats had squabbled too much internally — this drew attention

## OPTION: Clinton Advisers Turning to Congressional Censure as a Possible Outcome

Continued from Page 1

ness in the White House as well about censure because "no one is sure the president would go for it."

Despite all the chatter among Demo- crats about censure, Senator Trent Lott, Republican of Mississippi, the majority leader, turned up the pressure by sug- gesting Sunday that the president con- sider resigning.

But beneath the bravado, Senator Or- rin Hatch, Republican of Utah, who is chairman of the Judiciary Committee, opened the door on Sunday to something short of impeachment or resignation.

"I have no doubt there will be a

sanction, the question is what," Mr. Hatch said. "And it could go all the way down from impeachment to censure, condemnation, rebuke or whatever."

The latest polls show that the censure option is popular, but also that people have grown weary of the scandal.

Impeachment is a drawn-out process that calls for the House to hold hearings and then vote on impeachment; the next step would be a trial on the Senate floor.

In a CBS News Poll conducted Sat- urday night, 56 percent of Americans polled said Congress should censure Mr. Clinton.

On another question, about what should happen now, the poll found that 26

percent said Mr. Clinton should resign, 10 percent said Congress should begin impeachment proceedings, and 57 per- cent said the matter should be dropped.

Representative David Skaggs, Demo- crat of Colorado, said he was open to the idea of a censure and offered two reasons why Republicans might be amenable.

"For those Republicans who view this soberly, not just partisan angle-playing, do the offenses in the Starr report really reach the level of gravity that we use the constitutional equivalent of an atomic device to get at?" Mr. Skaggs asked.

He also argued that Republicans want Mr. Clinton to serve out his term because "most Republicans don't wish to give Al

Gore a head start" on the year 2000 by seeing him elevated to the presidency.

Republicans may also find that they can seize on the censure option to burnish their party's image. If, in the end, Re- publicans overwhelmingly favor im- peachment but few Democrats are willing to go along with them, Republicans could choose to broker a compromise — some might call it a political plea bargain — rather than coming across as partisan.

Despite the Democrats' increasing talk of censure — a punishment meted only to one president, Andrew Jackson, more than a century ago — several in the party said it was impossible to predict whether, or how, a deal could be reached.



# What's Chunky and Luxurious? The New Crop of Sweaters



From left, Gaultier's folkloric patterned sweater with full skirt; Yamamoto's chunky, tweed-flecked knitwear with colorful stripes; Alfaro's Nordic sweater; Clements Ribeiro's turtleneck sweater and plaid pants.

By Suzy Menkes  
International Herald Tribune

**P**ARIS — Not since Lana Turner and fellow goddesses of the silver screen made knits a hit has there been such a season for Sweater Girls.

Make that "Sweater Women." For it is the chunky, feminist version of winter knitwear that has come to the fore as the jacket has softened up and the sharp-shouldered silhouette has melted.

For every lacy top or velvet-trimmed cardigan that spells dainty femininity, there is a smoldering, tiny tank top and shrunken cardigans that have been a summer look are being replaced by new knits that are big and beefy.

The most ubiquitous sweater is thick and felted in boiled cashmere — a luxury designed to give personal pleasure to the wearer rather than flashy glamour. It comes as turtleneck, crew neck, often square-cut to stand away from the body and goes with flannel pants or fall's fashionable long skirts. It can be found in many fall collections from Hermes through Michael Kors at Celine.

More quirky and original is the revival of the ethnic sweater — last seen in the 1970s or on superannuated hippies like Virgin's boss, Richard Branson. Hairy Fair Isles that were until recently a byword for naff and nerdy dressing are now back on fashionable backs.

But we are not talking about any old thick knit dragged from the back of a closet — rather about a designer version that is as big as it is beautiful.

Yohji Yamamoto had some of the most striking knits, with tweedy, speckled effects like moose as a background to rich, bright stripes of orange, red and green. Chunky sweaters, elongated cardigan coats and even knitted dirdi skirts make beefy but graceful winter wear.

From Jean Paul Gaultier came a witty revival of the beatnik look, when the Left Bank of Paris was filled with anarchistic student types in black stockings, Gallic berets and patterned sweaters. Think of Audrey Hepburn among the existentialists in a jazz club in the 1957 film "Penny Face" to capture the flavor of fuzzy sweaters with Peruvian patterns worn with skinny pants or full skirts.

Nordic patterns, once so fashionable as ski sweaters, popped up in the most sophisticated and urban collections, including from the Italian Sportmax and from the American designer Victor Alfaro, whose glacier blues and bleached-wood browns made an interesting alternative to the gray palette.

**T**HE essence of a patterned knit is that the design is worked into the sweater — not superimposed like a fabric print. That richness and depth of pattern and color with a lightness of touch is a specialty of Clements Ribeiro, the London-based design duo. They draw on the Brazilian roots of Inacio Ribeiro to give a mix of folkloric pattern with plaid and plain designs.

It is this combination of the ethnic and natural with luxurious yarns that makes the new knitwear seem more than weekend wear. Along with cashmere comes the equally rarefied alpaca or mohair. All have this in common: They give bulk without weight, an essential ingredient of modern fashion where playing with volumes has replaced the earlier juggling with proportions and hemlines.

You might wear a chunky knit over a very light dress, combining the fluffy felted effect with a silky sheen. Or several different weightless textures — alpaca, angora and mohair — might be layered in a twin-set and shawl.

Then there is stitchcraft. The classic patterns like fishermen cables or Aran knits literally take on a new dimension

when made in the thick felted yarns, as opposed to the more familiar, finer wools. Valentino's intertwined cables on a simple sweater and skirt is the new sportswear-de-luxe style for ladies who lunch.

How new are the big knits? Designers like Sonia Rykiel and Missoni have built their businesses on proving that knitwear is for all seasons and reasons. They are still in the forefront of imaginative winter woollies that take you from country casuals to evenings out in the city.

Now a new generation, used to seeing the tailored jacket as a linchpin of the modern wardrobe, is discovering the allure of thick-knit cardigan or sturdy sweater — and making knitwear fashion's security blanket for the 1990s.



Joseph Holtzman's credo: "At the end of the day, it has to be beautiful."

## Outsider Looks at Decor

By David Colman  
New York Times Service

**N**EW YORK — Joseph Holtzman, the editor of Nest, the artsy new journal of decor and interiors, does have a few things in common with his editorial peers at House & Garden, Elle Decor and Architectural Digest.

He, too, knows what he likes and he goes after it ruthlessly. His criterion: "At the end of the day, it has to be beautiful."

But any similarity between him and them ends right about the point where Holtzman is during an afternoon spent scouting projects for the magazine — pases outside the maisonette on the Upper East Side where, he said, the writer William F. Buckley Jr. and his wife, Pat, live.

The 41-year-old Holtzman has an outsider's view of decor — in this case, literally. Nose to the window, he contemplated how a peeping Tom-style photo shoot would go chez Buckley. "The lights are on," he said, peering in at a leopard skin thrown over a sofa. "It would be interesting to see what kinds of endangered species he's got scattered around in there."

(The leopard skins in the apartment "belonged to my grandfather," Mrs. Buckley said. "So I'm sure they died many, many years ago.")

While Nest has been compared to Wallpaper, an irreverent home-design magazine that arrived some months before it, Nest has more in common with Britain's odd World of Interiors, the British art journal Prieze and perhaps National Geographic.

Nest's second issue, now on sale (for \$9.70), has some splendid homes, including one by Renzo Mongiardino, an Italian decor maestro. But it also has an article on igloos, a feature on how female inmates decorate their cells and another on Holtzman's own one-bedroom apartment on the Upper East Side, a virtual jackdaw's nest of design movements, motifs and ideas. The piece, written by Carl Stogard, Holtzman's longtime partner, is titled "Yes, I Too Married a Decorator."

And then there's the matter of the ghost editor on the masthead. Robert Offit, Holtzman's best friend, who died of AIDS in 1988, is listed as a contributing editor.

"He had an unbridled belief in my talents and abilities," Holtzman said. "I feel that I continue to get advice from him."

If all this sounds atypical for a shelter magazine, even Holtzman and his colleagues at the magazine find it hard to express, exactly what is right for Nest. The magazine's first cover — an apartment whose every surface is papered or otherwise bedecked with 1970s images of Farrah Fawcett — seemed to suggest a love of kitsch.

Wrong, said Kiera Coffee, a writer whose work appeared in the first two issues. "After the first issue, people would say: 'Oh, I know this great guy who collects all this Garvey field stuff. He's perfect for field stuff.' Coffee recalled.

"That's not it at all."

What makes a space in sync with Holtzman's vision, she said, is an urgency, design that transcends the bound-

aries of taste, good or bad.

"We're all attracted to people who do things with passion," she said. "And with Joe I'd go one step further and say compulsion."

If not for Prozac, which has helped him focus and function, Holtzman contends that Nest would never have hit the stands. "Really, this has all been made possible out of a bottle," he said.

## Grecian Folds On the Block

International Herald Tribune

**P**ARIS — It has all the sweet stillness and architectural grace of a Greek statue — a column of a dress draped to the body and hand-tucked with tiny pleats. Although that graceful silk jersey gown looks contemporary, it was designed 40 years ago by Madame Gres, whose archive comes up for sale at Christie's, London, on Thursday.

The Parisian couturier, whose early ambition was to be a sculptor and who is famed for her classical dresses, died so discreetly in 1993 that her death was only reported a year later. She had started her career in the 1930s as "Alix" but established a house under her own name in 1941, during the German Occupation of Paris.

The Gres legacy of purity and simplicity, achieved through countless hours of hand-pinning without pattern pieces, is the opposite of easy, factory-made modern sportswear. Yet there is nothing fussy about the innovative draping that gave a fluid femininity to famous clients, who included Princess Grace of Monaco and Marie-Helene de Rothschild.

Christie's estimates the unique dresses in chalky pastels or spicy Indian colors from \$1,000 to \$5,000 (\$1,700 to \$10,000), with the highest prices reserved for the signature white gowns.

"To me, white represents peace — order and peace," Madame Gres told Vogue in 1984, expressing precisely how her clothes remained at the still center of a turning fashion world.



Suzy Menkes A silk jersey dress by Madame Gres.

## CROSSWORD

**ACROSS**

1 Green stuff  
5 On — (without assurance of payment)  
10 Fivesome on a five  
14 Kind of committee  
15 Spanish snack  
16 Org. protesting workers  
17 "Some Like It Hot" co-star  
18 Innocent  
20 Like a hit B'way show  
21 Mex. neighbor  
22 Filler of holes

**DOWN**

24 Make — for it  
25 Mrs. Addams, to Gomez  
26 1980's boxing champion  
31 Fairy  
32 Actor Carrou  
33 Little worker  
35 Worker's demand  
36 Bro's kin  
37 Housing unit  
38 Extra-play periods: Abbr.  
40 Essay  
41 Exclamation  
42 Country star who sang "Fences in the Snow"  
43 "Othello" role  
47 Comedial devil  
48 Level, in boxes  
51 Columnist Marilyn — Savant  
52 Triangular sail  
53 Music genre since the 60's  
54 Onetime winner of all the awards in this puzzle's theme  
55 Reason d'—  
56 Prny to  
57 Intensely hot  
58 Treat for Little Miss Muffet  
59 Taj Mahal city  
60 Ruffled

**Solution to Puzzle of Sept. 14**

CASH CASH PSHAW  
JUNA OLIO GGLA  
BOOMERANS RYOR  
SEW TRI ARTISTS  
GHANA ROW  
PATROL BLAPDASH  
ALIAS OPEN RENE  
RIBS DRINK IRON  
GIES HANG AVIOW  
DITHRONE SUEEY  
OIL STAIR  
STEEPS EBB SKY  
GARPE HURRICANE  
ALIEN ANNE AREA  
PEERS MOSE PUER

DOWN

1 They may be left at one's doorstep

2 Whiff

3 "Curses!"

4 Actress Myrna

5 On target

6 Leave high and dry

7 Frisk, with "down"

8 Formal correspondence

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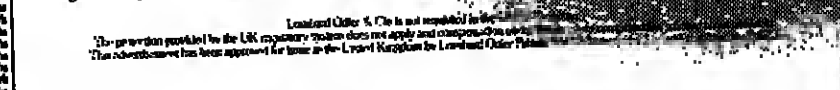
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**The Associated Press**

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**Continued on Page 17**

## A Man With a Lap Gives Hope to Nov

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## Thinking Ahead

1. The first thing I noticed  
 2. when I stepped out  
 3. of the plane was  
 4. the beautiful view  
 5. of the city below.  
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 8. friendly. I had heard  
 9. that the city was  
 10. beautiful, and now I  
 11. knew it was true.  
 12. The first thing I did  
 13. was to go to the  
 14. airport and see  
 15. the plane that I  
 16. was flying on.  
 17. It was a beautiful  
 18. plane, and the  
 19. pilot was very  
 20. friendly. I had  
 21. heard that the  
 22. pilot was very  
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 38. The first thing I did  
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 42. was flying on.  
 43. It was a beautiful  
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# Black Markets Pop Up to Thwart Ringgit Controls

By Thomas Crampton  
International Herald Tribune

HAT YAI, Thailand — Just weeks after Malaysia announced tight restrictions on the ringgit, a black market in the currency has blossomed in the border towns of southern Thailand, threatening Kuala Lumpur's efforts to insulate its economy.

"Changing ringgit in Thailand will not be a problem once the formal controls are put in place at the end of this month," a Thai businessman, Somchai Udomaprasit, told a government-sponsored conference here this week.

"The black market is already in place and if anyone has trouble finding it, I'll be happy to show them the way."

By halting the free flow of currency and capital, Prime Minister Mahathir bin Mohamad broke with free-market orthodoxy in an attempt to insulate Malaysia's beleaguered economy.

Countries throughout the region have been closely watching the progress of Mr. Mahathir's experiment, which directly contradicts conditions attached to multibillion-dollar International Monetary Fund bailouts of Thailand, Indonesia and South Korea.

The Fund and many analysts warn that currency controls are ineffective at halting a determined flight of capital.

[Moody's Investors Service Inc. cut Malaysia's credit rating to one notch above "junk" status Monday, Bloomberg News reported from Kuala Lumpur. The American ratings agency reduced the long-term foreign currency rating for bonds and notes to Baa3 from Baa2. It also downgraded the rating for bank deposits to the junk status of Ba1 from Baa3.]

Mr. Mahathir has insisted that the black market "can be controlled," appointing 400 officials to stem the flow of currency out of the country. The central bank issued stern warnings this week that money changers will lose their licenses if they hoard foreign currency or sell ringgit for a price lower than the government's fixed exchange rate.

But beyond the reach of Malaysian law, in Thailand, the black market has mushroomed, replacing all official channels of currency exchange.

The full range of restrictions on the ringgit do not take effect until Oct. 1, but banks and licensed exchange counters in Thailand already refuse to recognize the currency as legal tender.

Businessmen and tourists in southern Thailand instead use a network of black market counters that are thriving on moving money out of Malaysia.

Mr. Somchai, chairman of a construction company and chain of jewelry shops in southern Thailand, was one of many Thai executives who voiced confidence in the durability of the black market at a conference hastily organized by Bangkok to study the impact of Malaysia's capital controls.

While black markets are often tolerated as a means to ease the flow of trade, an exodus of ringgit to Thailand

# G-7 Has No Quick Fix For Turmoil in Russia

Officials Seek Calm but Pledge No Funds

By Tom Buerkle  
International Herald Tribune

LONDON — The Group of Seven leading industrial nations gave a sober assessment of Russia's economic situation on Monday, saying it would take years for the country to emerge from its difficulties and warning that any further Western assistance would require a fresh commitment to market-oriented reform by the new government of Prime Minister Yevgeni Primakov.

Senior G-7 officials, at a hastily arranged meeting here, played down the prospect of any short-term rescue package for Moscow, but they sought to calm jittery financial markets.

Britain's chancellor of the Exchequer, Gordon Brown, said the G-7 countries were concerned by the market turbulence and were prepared "to take action where it is necessary." And aides to Prime Minister Tony Blair, the current chairman of the G-7, revealed that he was discussing with fellow leaders the possibility of calling an extraordinary summit meeting of the group next month.

But it appeared that the best prospects for short-term moves to restore market confidence appeared to rest with the leading central banks.

Michel Camdessus, managing director of the International Monetary Fund, told the French newspaper Les Echos that G-7 countries could signal a coordinated cut in interest rates when their finance ministers and central bank governors meet in Washington on Oct. 3, on the eve of the annual IMF and World Bank meetings.

He cited recent comments by Alan Greenspan, chairman of the U.S. Federal Reserve Board, hinting at a possible shift toward lower rates, and indications from the European Central Bank last week that the slowdown in global growth could allow European interest rates to converge around lower levels.

The meeting here of senior finance and foreign ministry officials from the G-7 countries was characterized as a brainstorming session on Russia rather than a search for a quick fix. In the wake of Russia's declaration of a moratorium on its foreign debt last month and the three-week standoff between President Boris Yeltsin and the Duma, officials made it clear that they were ready to be supportive but that it was up to Moscow to take the initiative.

The meeting provided the first direct contact with the new Russian government as the G-7 officials met for 90 minutes with Deputy Foreign Minister Georgi Mamedov and Deputy Finance Minister Mikhail Kasaynov.

Mr. Mamedov told reporters that the government had invited the IMF to Moscow this week for urgent talks. Russia was due to get a second installment of \$4.3 billion from a \$22.6 billion aid package agreed with the IMF in July, but the payment is in doubt because of the moratorium and the squandering of an initial \$4.8 billion last month in a vain attempt to support the ruble.

The ruble has rebounded strongly since the political compromise on Mr. Primakov last week. But the new prime minister's first policy pronouncements on Monday failed to impress foreign investors. Mr. Primakov said future economic reforms must "make a lot of social sense," while his new economic chief, First Deputy Prime Minister Yuri Maslyukov, said the government's first priority would be to pay wage arrears.

Those comments caused many analysts to fear that the government would resort to printing money to solve its problems, a move that could trigger a new inflationary spiral.

"Economic reform will lose its strongly pro-market bias," said Ed Butchart, an equity strategist at Merrill Lynch International in London. "I can't see sentiment being repaired in the short term."

Ukraine Reschedules Debt

The government of Ukraine has unilaterally rescheduled some of its short-term domestic debt, which it will now pay back over three to six years, Agence France-Presse reported Monday from Kiev.

The central bank said it had put off payment of nearly 2.2 billion hryvnas (\$846 million) in bonds issued this year and last year to between 2001 and 2004. They were to have reached maturity between now and Aug. 27, 1999.

Ivan Butko, a banker at Ukrainbank, said the move amounted to a default.

# A Man With a Laptop Gives Hope to Novell

Chief Scientist Challenges Microsoft

By John Markoff  
New York Times Service

NEW YORK — At Novell Inc.'s headquarters in Provo, Utah, in a valley beneath the Wasatch Mountains, employees like to tease the chief scientist, Drew Major, for his habit of bringing a portable computer to meetings and writing software code while others speak.

But Mr. Major's habit remains essential if Novell is to back away from the financial precipice, where until recently it has found itself isolated in an increasingly Microsoft-centric computing world.

Mr. Major knows that Novell, which once dominated the market for office personal computer networking software but has lately seemed in danger of becoming technologically irrelevant, may now have its best opportunity in years. On Monday, it announced the availability of a new version of its flagship product, Netware, a month ahead of schedule. The company said it began shipping its Netware 5.0 to customers last week.

The timing is crucial because just last month Microsoft Corp. announced that its intended Netware killer — Windows NT 5.0 — would not reach the market anytime soon, and analysts said the program might end up arriving next summer or even later, a year behind schedule.

Microsoft's slip, coming on the heels of a third-quarter earnings report by Novell that was better than expected, has buoyed Mr. Major's belief that the company had found a new lease on life and a new identity.

"We were a Microsoft wannabe," he said recently. But now, he said, Novell understands that "we have to be who we are, and that is an independent maker of a specialized operating system."

One of the company's first three employees in 1982, Mr. Major lived and worked through Novell's phenomenal growth period during the '80s and then stuck around through the bitter times since the early '90s, when Ray Noorda,



Drew Major, Novell's chief scientist, believes the company is poised for a comeback.

the company's longtime chairman until 1994, began confronting Microsoft directly with a broad range of corporate software products — and failed.

Now Mr. Major, the leader of the company's once-demoralized engineering ranks, contends that Novell has found a way to once again thrive in Microsoft's long shadow. On a blackboard in a windowless conference room in the company's headquarters is a long list of new products designed to make it easier to use the Internet, which Mr. Major contends will give customers renewed reasons to buy Novell software.

There are already some hopeful signs. After cutting the work force by 18 percent last year, to 4,600 employees, the company reported a third-quarter profit of \$27 million last month, compared with a \$122 million loss in the quarter a year earlier. And test versions of Netware 5.0, the new version of its mainstay product, have received accolades from reviewers.

# Thinking Ahead / Commentary

## Did Clinton Really Create the Boom?

By Reginald Dale  
International Herald Tribune

WASHINGTON — Throughout President Bill Clinton's trials and tribulations, he has been able to rely on one constant source of support: Many, if not most, Americans believe he is responsible for the strong performance of the U.S. economy.

Even today, as the nation considers calls for his impeachment, plenty of people still say he should stay in the White House because unemployment and mortgage rates are so low and the stock market, despite recent falls, so high.

The implication is that if Mr. Clinton were to go, the economy would suddenly come unstuck.

Such thinking stems from a deep-rooted fallacy.

While most American voters consistently give presidents credit for good times, and blame them for bad times, any economist will tell you that the president usually has very little influence over the course of the U.S. economy.

That course is mainly dictated by cyclical and international forces beyond the president's control, as well as by monetary policy, which is set not by the White House but by the Federal Reserve Board.

Mr. Clinton has found it easy to take advantage of this popular misconception because the boom of the 1990s has coincided with the five and three

quarter years he has been in office, even though the recovery actually started under President George Bush.

But the economic growth, high employment and surging stock markets of the last few years have more to do with low international inflation, the strong dollar, and the remarkable transformation of the U.S. private sector that began under President Ronald Reagan, than with any action initiated by Mr. Clinton.

On the contrary, if Mr. Clinton had had his way, the economy today would almost certainly be in worse shape, and the balanced budget for which he likes to take credit would still be a long way off.

Mr. Clinton's early instincts were for ambitious tax-and-spend policies and much more intrusive government.

Fortunately, those instincts were largely neutralized by two men far more responsible than Mr. Clinton for the good times — Robert Rubin, the Treasury secretary, and Alan Greenspan, chairman of the Federal Reserve Board — and by the Republican-controlled Congress.

As a result, there has not really been a coherent Clinton economic policy. Much of the worthwhile legislation Mr. Clinton has signed into law — telecommunications and farm deregulation, welfare reform and tax cuts — was at the behest of Congress.

The two great free trade triumphs of his first term, the North Atlantic Free Trade Agreement and the creation of

the World Trade Organization, were inherited from his Republican predecessors.

Congressional Republicans prodded him into his commitment to balance the budget.

But that does not mean the Republicans can take all the credit, either. The budget was balanced not by politicians so much as by economic growth and the huge increases in tax revenue it generated.

The end of the Cold War facilitated Mr. Clinton's cuts in defense spending and the resolution of the savings and loan crisis ended a big drain on the national coffers.

Mr. Clinton's best claim to have exercised good economic judgment rests on two simple achievements: He did not mess up the good times he inherited (no mean feat, perhaps, considering his initial instincts) and he had the good sense to appoint Mr. Rubin, to reappoint Mr. Greenspan, and to listen to both of them.

But those are not necessarily unique achievements. There is no reason why a President Al Gore should not follow the same formula if he were to replace Mr. Clinton.

And the fallacy of presidential responsibility is a two-edged sword. If the bad times start to reappear, the economic support system that has served Mr. Clinton so well will rapidly vanish.

E-mail address: Thinkahead@washpost.com

CURRENCY & INTEREST RATES																			
Sept. 14										Libor-Libor Rates				Sept. 14					
Cross Rates										Swiss Franc				French Franc					
Currency	Per \$	Per £	Per ¥	Per Sfr	Per DM	Per ¥	Per Sfr	Per DM	Per ¥	1-month	3-month	6-month	9-month	12-month	1-month	3-month	6-month	9-month	12-month
Australian	1.3525	0.6925	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
British	0.6925	1.3525	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canadian	0.7125	0.7125	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
French	6.5575	0.1525	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
German	1.4875	0.6725	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italian	1.9375	0.5175	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japanese	109.25	0.0092	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Swiss	1.4875	0.6725	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
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Other Dollar Values										Swiss Franc				French Franc					
Currency	Per \$	Per £	Per ¥	Per Sfr	Per DM	Per ¥	Per Sfr	Per DM	Per ¥	1-month	3-month	6-month	9-month	12-month	1-month	3-month	6-month	9-month	12-month
Australian	0.7125	0.7125	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
British	0.6925	1.3525	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canadian	0.7125	0.7125	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
French	6.5575	0.1525	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
German	1.4875	0.6725	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italian	1.9375	0.5175	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japanese	109.25	0.0092	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Swiss	1.4875	0.6725	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
U.S.	1.0000	1.0000	109.25	1.4875	1.4875	1.4875	1.4875	1.4875	1.4875	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Private Banking International

# HOW TO BUILD

Man was born to build and he aspires to pass on his accomplishments to future generations. That is why, when you build the home of your dreams, you wanted to make sure it would last for a long time. You called upon professionals who shared with you their valuable experience and advised you on the best materials. At Crédit Lyonnais, you'll find such skilled specialists in the field of Private Banking. Get to know them. They know how to listen well, so you'll benefit fully from their in-depth experience to help make your plans for years to come a reality.

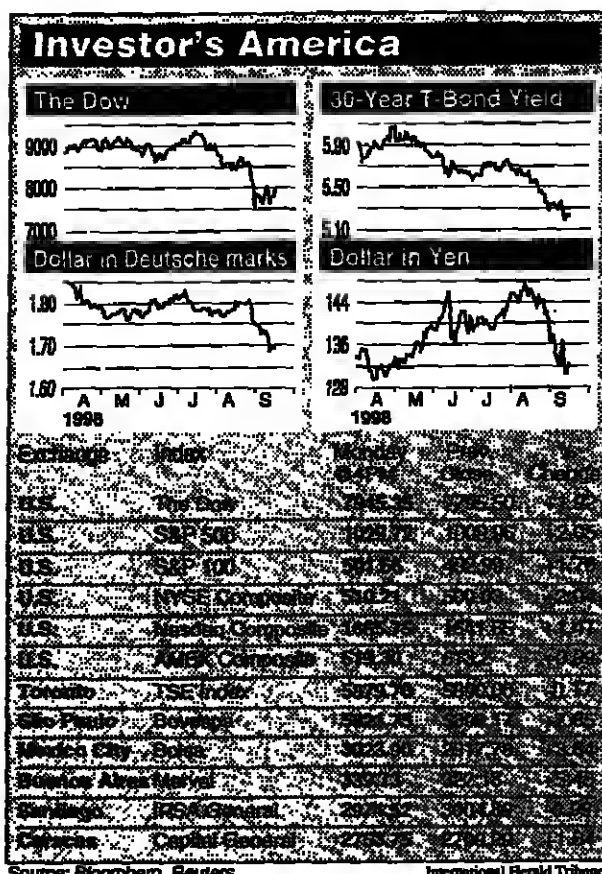
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## THE AMERICAS



## Very briefly:

- Intel Corp. cut the price of some of its chips by as much as 34 percent. The largest cuts will be made on the fastest chips used for laptop computers. The company also will reduce the price of four of its Pentium II chips by 8 percent to 29 percent.
- Qwest Communications International Inc., the fifth-largest U.S. long-distance phone company, agreed to buy Icon CMT Corp. for \$185 million in stock and said it would offer Icon's Internet services to its business customers.
- International Business Machines Corp. said it might sell its Global Network business, which provides consumer look-ups to the Internet.
- Northern Telecom Ltd. said it would eliminate "approximately" 3,500 jobs worldwide as it sought to restructure as an Internet-based firm instead of a telecommunications-products company.
- Hilton Hotels Corp., citing Asian economic weakness, warned that its third-quarter net earnings would fall below the 35 cents per share it posted in the third quarter of 1997.
- Air Canada's pilots voted to accept a new two-year contract, ending a 13-day strike that inconvenienced thousands of travelers and businesses.

## Dollar Rises On Outlook For Clinton

**Bridge News**  
NEW YORK — The dollar rose against other major currencies Monday as traders speculated that President Bill Clinton would survive the furor over his relationship with a former White House intern, Monica Lewinsky.

But dealers said the currency was

## FOREIGN EXCHANGE

restrained from advancing too far by concerns that the Federal Reserve Board might lower U.S. interest rates to calm global financial markets.

But overall, dealers said the markets were relieved that there were no big surprises in the independent counsel's report to Congress last week on the Lewinsky affair.

The dollar registered its largest gains against the yen after a member of the Bank of Japan's policy council predicted that the U.S. currency could rise up to 160 yen, a level last traded eight and a half years ago.

The dollar was quoted at 4 P.M. at 132.450 yen on Monday, up from 130.675 yen Friday. It rose to 1.6955 Deutsche marks from 1.6943 DM. Gains against the mark were limited by expectations for German rates to hold steady rather than come down.

The head of the Ifo economic research institute said Monday he did not think Germany faced deflation, and he saw no room to cut interest rates before the launch of Europe's single currency on Jan. 1.

The dollar climbed to 1.3988 Swiss francs from 1.3905 francs, and to 5.6907 French francs from 5.6790 francs. But the pound rose to \$1.6780 from \$1.6728.

Worries about contagion in the U.S. economy from Latin America's weakness limited the dollar's gains.

Ecuador's currency, the sucre, fell 15 percent against the dollar after the central bank said it would allow the currency to trade in a wider band.

## Tellabs Gives Up on Plan to Acquire Ciena

Compiled by Our Staff From Dispatches

LINTHICUM, Maryland — Tellabs Inc. on Monday ended its plan to acquire Ciena Corp., a top maker of equipment that increases the capacity of phone networks, because Ciena's profit shortfall and stock decline made shareholder approval unlikely.

Investors expressed doubts about the deal after shares of Ciena plunged below \$16 last week. Ciena's stock was trading at more than \$80 a share as recently as July.

The deal was renegotiated in late August after Ciena followed news of an earnings disappointment with word that AT&T Corp. would not become a customer as expected.

Tellabs cut its price for Ciena and a shareholder vote on the deal had been postponed

until November. Under terms of the latest agreement, Tellabs would have exchanged 0.8 of its shares for each Ciena share.

Ciena shares fell \$2.75 to \$13.1875 on Monday, while Tellabs fell \$7.3125 to \$37.6875.

Analysts said they expected both companies to team up with other equipment makers as they compete against Lucent Technologies Inc. for phone company customers. Tellabs said Monday it was still interested in optical-networking technology like Ciena.

Cisco Systems Inc. might be a likely bidder for Ciena. The two companies already cooperate on product development.

"If I were Cisco management, I would be taking a very serious look at Ciena," said Ken Leon, an analyst at ABN-Amro.

Tellabs, meanwhile, "is going to look at some way to broaden their product portfolio to position themselves for the next leg of growth," said Greg Mesnief, an analyst at Robinson-Humphrey Co.

Ciena said Monday its third-quarter profit fell 94 percent, to \$2.1 million. The company said it had \$2 million in third-quarter costs related to the failed sale to Tellabs.

Revenue rose 6 percent to \$129.1 million.

In an effort to reverse its decline, Ciena said it would restructure. It named Steve Chaddick, senior vice president for strategy and corporate development, making him responsible for marketing and forming alliances. Mr. Chaddick previously was senior vice president of products and technologies. (Bloomberg, AP)

## S&amp;P Warns of Drop in U.S. Credit Quality

International Herald Tribune

NEW YORK — Standard & Poor's Corp. on Monday listed the United States among those countries with "deteriorating credit quality" in their financial systems.

The credit-rating agency said 16 countries were vulnerable, including some that have economies that on the surface appear to be robust. Along with the United States, Standard & Poor's said Chile, Egypt, Greece, Israel, Lebanon, Panama, Singapore and Taiwan were vulnerable to problems.

It said seven other countries — China, the Czech Republic, Hong Kong, Japan, Malaysia, the Philippines and the Slovak Republic — were already showing visible signs of weakness.

"Some of these systems' fundamentals are so poor that half of their assets may become problematic," the credit-rating company said.

"For others, the decline will be relatively mild."

In formulating its opinion, the company said it studied trends in corporate and personal indebted-

ness, inflation, external funding sources for financial institutions and the availability of credit to consumers and companies.

In the United States, Standard & Poor's said banks may be vulnerable because of risky loans to consumers and real-estate investment trusts. It said domestic credit rose to 117 percent of gross domestic product in 1997 from 93 percent in 1994.

But the agency added it did not expect major problems to surface until the U.S. economy begins to soften "over the next few years."

## MARKET: Wall Street Sees Little Threat of Impeachment

Continued from Page 1

was closer to a global meltdown with disastrous economic and political consequences than it had been at any time since World War II.

On Monday, however, the prevailing view was that the government would be unlikely to interfere with a healthy U.S. economy, which is widely expected to grow at about 2 percent annually in the coming few years, even

by analysts who are concerned that corporate profits may be limited by global economic weakness.

With the Dow industrials about 6 percent above the low point reached at the end of last month, Mr. Ackerman

companies meeting these criteria.

Sara Lee and Guilford Mills rose on Monday, but GE fell.

Investors remain nervous about weak profit prospects. Walt Disney fell 5 percent after the entertainment company warned Friday that its fourth-quarter earnings would drop from 1997 levels because of a reduced Asian appetite for its videos and weakness in its movie business.

Disney was the most active issue on the New York Stock Exchange, and one of the few to record a decline, falling 1 1/4 to 24 7/16. Advancing issues included banks, which have been sensitive to the international economic crisis. Citicorp rose 5 to 101 and BankAmerica added 2 1/4 to 63 13/16.

Travelers Group, which is to acquire Citicorp, rose 3/4 to 41 1/4 in active trading.

In Nasdaq trading, the leading technology companies were among the active advances, including Dell Computer, which rose 1 1/16 to 59 1/4.

The Trib Index				
Jan. 7, 1992 = 100	Level	Change	% change	year to date % change
World Index	174.18	+3.08	+1.80	+1.20
Regional indexes				
Asia/Pacific	72.29	-0.24	-0.33	-24.75
Europe	210.36	+5.11	+2.49	+8.97
N. America	235.59	+3.02	+1.30	+9.05
S. America	76.41	+4.57	+6.51	-49.95
Industry indexes				
Capital goods	238.67	+2.52	+1.07	+15.54
Consumer goods	214.43	+3.05	+1.44	+2.24
Energy	194.42	+4.39	+2.31	-0.29
Finance	114.46	+3.18	+2.86	-6.90
Healthcare	145.19	+4.77	+3.40	-3.13
Raw materials	185.47	+4.70	+2.52	+1.06
Services	187.25	+2.00	+1.08	+7.42
Utilities	159.31	+2.39	+1.52	-4.53

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 250 internationally investible stocks from 25 countries.

Compiled by Bloomberg News.

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1-800-844-0102	UK 0044-1-752-2221	USA 001-212-251-1100	Canada 001-416-490-0000	Spain 0034-91-490-0000
1-800-850-7233	USA 001-416-490-0000	USA 001-416-490-0000	USA 001-416-490-0000	USA 001-416-490-0000

## AMEX

Monday's 4 P.M. Close

The 200 most traded stocks of the day, up or down on Wall Street.

The Associated Press.

Stock	Symbol	High	Low	Open	Close
IBM	IBM	118 1/2	118 1/4	118 1/4	118 1/2
Microsoft	MSFT	112 1/2	112 1/4	112 1/4	112 1/2
Oracle	ORCL	112 1/2	112 1/4	112 1/4	112 1/2
Amazon.com	AMZN	112 1/2	112 1/4	112 1/4	112 1/2
Yahoo!	YHOO	112 1/2	112 1/4	112 1/4	112 1/2
Google	GOOG	112 1/2	112 1/4	112 1/4	112 1/2
Alibaba	ALIB	112 1/2	112 1/4	112 1/4	112 1/2
Facebook	FB	112 1/2	112 1/4	112 1/4	112 1/2
Twitter	TWTR	112 1/2	112 1/4	112 1/4	112 1/2
LinkedIn	LNKD	112 1/2	112 1/4	112 1/4	112 1/2
Slack	SLCK	112 1/2	112 1/4	112 1/4	112 1/2
Dropbox	DBX	112 1/2	112 1/4	112 1/4	112 1/2
Evernote	EVNT	112 1/2	112 1/4	112 1/4	112 1/2
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Dropbox	DBX	112 1/2	112 1/4	112 1/4	112 1/2
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## EUROPE

## PolyGram Film Unit Could Be a Hard Sell for Seagram

By Jacqueline Simmons  
Bloomberg News

PARIS — PolyGram Film Entertainment has produced some unexpectedly profitable films, from "Fargo" to "Four Weddings and a Funeral."

The company, however, may prove less of a hit as Seagram Co. takes bids for Europe's largest film producer.

Seagram, the liquor company that is reshaping itself as an entertainment giant, hopes to sell the studio to help finance the \$10.4 billion purchase of the film company's parent, PolyGram NV, the world's largest recorded-music company.

Estimates of the film unit's prospective selling price range up to \$1 billion, but analysts and others say the unprofitable studio — which has drawn interest from EMI PLC and Canal Plus SA — could sell for half that much.

"A starting point would be \$500 million and it could go anywhere

from there," said Nicholas Bell, managing director of European equity research at Bear, Stearns & Co. "Bidders might argue for a negative valuation: Film is a tough business to crack and the returns in past years haven't been that great."

Analysts said a lower price would not seriously hurt Seagram, which this month completed the \$3.3 billion sale of its Tropi-cana Products Inc. unit to PepsiCo Inc., a move that would help pay for the PolyGram acquisition. But a higher price would help reduce its debt, which rose to 7.5 billion Canadian dollars (\$4.95 billion), or half its shareholders' equity, after buying Universal Studios in 1995.

Analysts say Seagram is trying to sell PolyGram Film Entertainment from a position of weakness. The unit has never made a profit, its operating loss last quarter more than doubled, and compared with Seagram's Universal Studios or Viacom Inc.'s Paramount Pictures, it is still considered a

second-tier operation in an industry where size matters.

Because a relatively small fraction of movies make money most studios hope to make at least 12 big-budget films each year to increase the likelihood of having at least one blockbuster to cover the losses of many

**'There are not a lot of Steven Spielbergs out there.'**

unpopular films. The PolyGram film unit makes smaller films. While it can make money — the company said "Four Weddings" cost \$5 million to make and took in more than \$250 million in gross box-office revenue — the film unit has not matched the big studios' overall box-office sales.

Prospective buyers are expected to want to pay a discount price for PolyGram Film because they are said to believe the film company would need new investment to be able to compete with such industry

giants as Time Warner Inc. and News Corp.'s 20th Century Fox.

PolyGram has invested an estimated \$1.2 billion into the five-year-old film unit without ever seeing a profit from it.

The film unit's operating loss more than doubled in the second quarter to 99 million guilders (\$51.9 million) with no relief from a major release. In July, PolyGram, the parent company, blamed part of an 85 percent drop in second-quarter net income on the film unit.

PolyGram Film Entertainment said it expects to break even next year, though analysts said they were skeptical because they did not think the company had the funds needed to make and market a full slate of films.

"It's a business that requires a ton of capital and a great deal of luck," said Michael Nathanson, an international media analyst at Sanford C. Bernstein & Co. in New York.

"There aren't a lot of Steven Spielbergs out there."

PolyGram and its new parent, Seagram, declined to comment on the sale. Philips NV, which made possible Seagram's takeover of PolyGram by selling its 75 percent holding in the music company, also declined to comment.

The Canal Plus chief executive, Pierre Lescure, recently repeated his assertion that the estimated price was too high, while an executive at Canal Plus' parent company, Vivendi SA, suggested Seagram should consider selling PolyGram's film library separately.

The library, which contains earlier hits like "Blue Velvet" and "Dead Man Walking," and more than 1,500 other films, makes about \$65 million in profit a year, analysts said.

"If it was just a question of selling the library, it would go in a flash," said Lek Van Cruyningen, an analyst at Enkeldo Securities. "Every time they sell a film the revenue goes straight to the bottom line."

## Oil Producers Seek a Strategy to Lift Prices

Compiled by Our Staff From Dispatches

DOHA, Qatar — Qatar's minister of energy, Abdullah bin Hamad Al-Thani, said Monday he would meet this week with his counterparts from Kuwait and Saudi Arabia to develop a coordinated strategy to revive oil prices from near their lowest level in a decade.

Mr. Al-Thani said he had accepted an invitation from Kuwait's oil minister, Sheikh Saad Nasser al-Sabah, to attend a meeting in Kuwait City on Tuesday. On Wednesday, the two ministers will have another meeting that will include the oil

minister of Saudi Arabia.

He said the ministers would discuss "what we can do to support the market," adding that Qatar was willing to support any action that strengthened oil prices, including further cuts in oil production.

A spokesman for Kuwait Petroleum Corp. said the meeting would give the leaders "the chance to decide upon firm and ready action to stay on top of oil prices ahead of the next OPEC meeting."

Before the members of the Organization of Petroleum Exporting Countries met in July, members and

other oil-producing countries agreed to cut oil output by a combined 2.6 million barrels a day from February levels.

The "only option these producers have is to agree more cuts — just talking about it won't do any good," said Charles Hue-Williams, a senior energy analyst at Henderson Crosthwaite Ltd. in London.

The minimum amount of production cuts the group should agree to is 500,000 barrels, said Mr. Hue-Williams.

That would be a large enough cut to "show the market that the Gulf

producers have a sense of purpose and an understanding of falling demand estimates — the market will like that and prices could rise," Mr. Hue-Williams said.

The International Energy Agency said Friday that world oil demand would grow at its slowest pace in five years this year, calculating a rise of 0.9 percent, to 74.5 million barrels a day, because of weakening economies in China and Russia.

So far this year, the agency has slashed its demand estimates for 1998 by 600,000 barrels a day because of slumping Asian demand.

At just under \$13 a barrel, Brent crude oil prices are about half of last year's peak on the International Petroleum Exchange.

Qatar, which produced 64.3 percent more than its OPEC quota in February, said it had implemented its agreed cut of 60,000 barrels a day in August. The minister said that reduced Qatar's daily production to 630,000 barrels a day.

"It is important that all OPEC members continue to improve their adherence to the June agreement," Mr. Al-Thani said.

(Bloomberg, AFP)

## Murdoch's Foes Drum Up Support

Compiled by Our Staff From Dispatches

MANCHESTER — A British rock star has joined fans of Rupert Murdoch's £62.3 million (\$1.04 billion) bid to take over the soccer team.

Roger Taylor, drummer in the rock band Queen, pledged £10,000 on Monday to the Independent Manchester United Supporters' Association, which is battling to stop British Sky Broadcasting Group PLC, a satellite broadcaster controlled by Mr. Murdoch, from buying the team.

Mr. Taylor's opposition to the BSkyB bid was made public hours after a potential rival emerged to BSkyB. The investment bank Solomon Smith Barney said Sunday that it had been asked to open negotiations with Manchester United's financial adviser, HSBC Holdings, on behalf of a client. A spokesman for the bank declined to name the client or to confirm that a future offer would top the existing bid.

(AP, Reuters)

## Dublin Threatens to Fine Fruit of the Loom If It Cuts Jobs

Reuters

DUBLIN — Fruit of the Loom Inc. could face a bill of more than 10 million pounds (\$14.84 million) if it follows through on a cost-cutting plan that could cost jobs in northwest Ireland, a government spokesman said Monday.

Fruit of the Loom, which makes and markets casual clothing under its own and other labels, said last week it

planned to introduce part-time work at its plants in the Irish Republic and Northern Ireland starting Sept. 21.

Up to 700 of 2,600 jobs could be at stake at the company, which has received around 20 million pounds in development aid over 12 years, newspapers reported.

Company executives met Deputy Prime Minister Mary Harney over the weekend but media reports said

the meeting was inconclusive. The company is expected to shift production to its plant in Morocco.

The government spokesman said the company already faced a bill of between 5 million pounds and 6 million pounds for failing to meet job targets and would have to pay more to the Industrial Development Agency if it slashed jobs in County Donegal.

## WORLD STOCK MARKETS

— Monday, Sept. 14

Daily prices in local currencies.

High Low Close Prev.

Amsterdam AEX index: 1914.4

Trend: 1914.4

Frankfurt DAX index: 4775.1

Trend: 4775.1

Johannesburg All Share: 4782.9

Trend: 4782.9

London FTSE 100: 5268.8

Trend: 5268.8

Paris CAC 40: 3171.34

Trend: 3171.34

Tokyo Nikkei 225: 14727.3

Trend: 14727.3

Hong Kong Hang Seng: 11342.8

Trend: 11342.8

Singapore SENSEX: 2212.3

Trend: 2212.3

Buenos Aires Merval: 282.1

Trend: 282.1

Sao Paulo Ibovespa: 1719.5

Trend: 1719.5

Lima Ibovespa: 1719.5

Trend: 1719.5

Buenos Aires Merval: 282.1

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Sao Paulo Ibovespa: 1719.5

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## Investor's Europe

Frankfurt DAX London FTSE 100 Index Paris CAC 40

512 622 420

522 632 430



## ASIA/PACIFIC

# Pyongyang's Stillborn Capitalism

## North Korea Wary of Investors, Even in Free Trade Zone

By Don Kirk  
International Herald Tribune

SEOUL — The signs proclaiming "Free Trade Zone" have been pulled down outside North Korea's special trade area that was meant to lure foreign investors, according to diplomats and discouraged business executives. And the move appears to be more than a momentary whim.

Removing the signs, they say, signals a deeper truth: that seven years after North Korea established the zone, intent on bailing out its economy with foreign capital, Pyongyang remains suspicious of international investors and reluctant to accept more than a hint of a market economy.

North Korean officials view the concept of such a zone as "too far from their society," said a European

business executive who has visited the 746 square-kilometer (288 square-mile) zone that includes the cities of Rajin and Songbong on the northeastern coast of North Korea by the Chinese and Russian borders.

While declaring their openness to foreign investment, the executive said, "They like to bite the hand that feeds them." Approximately 95 percent of the projects they talk about are not happening, he said.

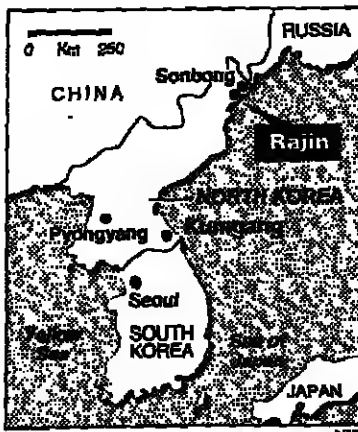
North Korea's leader, Kim Jong Il, is said to have ordered removal of the signs facing the North Korean countryside beyond the zone so that ordinary citizens would never see them — and get ideas about building up a capitalist system modeled after the zone.

The gesture suggests not merely the lack of enthusiasm among North Korean officials as they try to lure

foreign investment into an area that once appeared as the great hope for rescuing North Korea's devastated economy. It also provides an insight into the difficulties of introducing a market economy to a country whose citizens survive on barter.

"There has been no reform at all," said Cho Dong Ho, research fellow at the Korea Development Institute, a South Korean research organization. "Free markets are prevailing in rural areas, but the volume of trade in those markets is limited. They barter for rice and daily necessities because the official distribution system has collapsed."

The new constitution specifically provides for the northeastern free trade zone as well as an independent accounting system for state enterprises, but analysts note the zone has existed since 1991 and independent



accounting has been in effect for 15 years.

Even so, business throughout the country, including the zone, is declining. Analysts at the Korea Development Institute estimate that industry outside the zone is operating at 30 percent of capacity, while the average household relies on barter for 70 percent of total consumption.

Making matters worse, inside the zone, the economic crisis that now afflicts the rest of Asia from Thailand to Japan and South Korea has forced investors either to slow projects in the zone or cancel them.

Since the zone opened in 1991, hundreds of firms have signed agreements to set up factories or offices, but only about six of them are doing business there now, among them Roxel Pacific Co., which operates telecommunications in the zone, and Emperor Group of Hong Kong, which has invested \$20 million so far in building a hotel and casino near Rajin.

Actual investment in the zone totals only about \$65 million, according to the United Nations Development Program in Beijing, even though North Korea has said that 111 foreign contractors have promised to pour in about \$750 million.

"The zone is not ready for investment so far," said Cho Sun Ho, who monitors North Korean economic problems for the Korean Trade Investment Promotion Agency here. "Companies will not invest according to their contracts because the situation is not clear."

Mr. Cho questioned the United Nations' figures for investment in the zone, saying that UN officials "want the zone to succeed." By his calculation, investment in the zone since 1991 has reached about \$40 million.

But South Korea companies now appear interested in exploring the possibilities for investing in the zone despite the economic crisis that has forced most of them to cut their own business at home.

"They want to go there because the North Koreans won't let them invest anywhere else in the North," said a South Korean responsible for passing on the requests.

The only South Korean investment in North Korea so far consists of a few small factories in the west coast port of Nampo that are operated by the Daewoo Group. The Hyundai Group is to set up a tourist service to the Diamond Mountain region in the southeastern corner of North Korea, near the demilitarized zone that separates North from South Korea, but the service, originally to begin on Sept. 25, is likely to be postponed.

About 400 South Korean business executives have said they would like to attend a conference organized by Chinese authorities in Hunchuan, on the Chinese border next to the zone, from Sept. 21 through Sept. 23.

North Korean officials have indicated few if any South Koreans will be able to enter the zone for a follow-up conference in Rajin on Sept. 24 through Sept. 26. The conference will also be closed to all foreign media.

# China Hints It Will Cut Interest Rate

Compiled by Our Staff From Dispatches

BEIJING — China's economy needs a "big cut" in official interest rates to help boost growth, and the move may come before the end of the month, according to a publication controlled by the central bank.

China Financial Information Securities weekly said Monday that the cut, aimed at spurring economic growth, could come as soon as this month. The publication did not provide a specific timetable for what would be China's fourth rate cut in less than a year.

Chinese one-year interest rates remain at about 8 percent in real terms because the inflation rate has continued to fall.

Last month, the retail price index was 3.3 percent lower than in August 1997. The consumer price index was 1.4 percent below the same month a year ago, the State Statistics Bureau reported.

Meanwhile, analysts said Monday that China's economy was showing signs of bottoming out under powerful stimulus measures that could help spur badly needed growth around Asia.

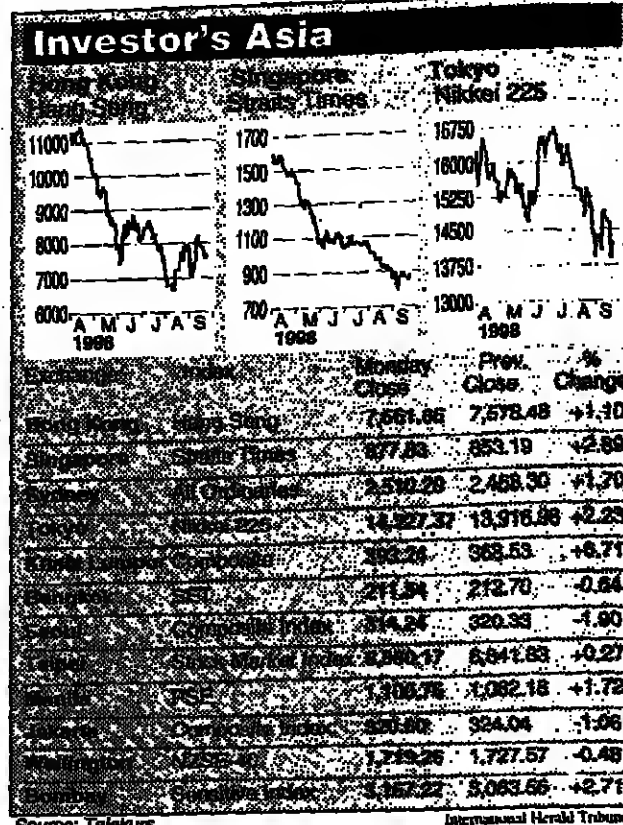
They said the emerging turnaround in China was "the most important positive news to come out of Asia this year" and that it could ease pressure for a devaluation of the yuan.

"Within three months we believe the markets will be able to see confirmed trends indicating a Chinese recovery lies ahead," the investment firm Dresdner Kleinwort Benson said in a report issued on Monday.

"The positive news would not only reduce and eventually eliminate fears of a Chinese devaluation setting off another round of beggar-thy-neighbor Asian devaluations," the report said, adding it could help fill a gap from a still weak Japanese economy.

China's leaders have repeatedly pledged not to devalue the yuan.

(Bloomberg, AP)



## Very briefly:

- The Asia Pacific Economic Cooperation forum was negotiating a series of concessions to push forward an agreement for opening trade in nine "fast-track" industrial sectors, trade officials of the 18-member group said.
- Fiat SpA, the Italian automaker, has pledged to invest \$1 billion in India over the next five years, saying the country was its most important market outside of Europe.
- Loral Orion, a subsidiary of Loral Space & Communications Ltd., is to link with Natelco, an Indian telecommunications provider, to deliver satellite-based Internet and private network services.
- International Business Machines Corp. is to buy \$1.2 billion worth of South Korean products this year to help the country's effort to expand exports.
- About 164 former officials in Japan of the Finance Ministry or the central bank were on the boards of major banks despite a series of corruption scandals, a survey stated.
- The Kuala Lumpur Stock Exchange said it would not honor after Tuesday the 112 Malaysian stocks traded on Singapore's over-the-counter exchange until the two bourses settle on a process to transfer those shares to Malaysia.
- Donald Tsang, Hong Kong's financial secretary, appealed to other governments to unite against the speculative activities of hedge funds, which have been blamed for dragging Asia into protracted financial turmoil.

# More Bad Economic News for Tokyo

## Current-Account Surplus Widens as Number of Bankruptcies Rises

Compiled by Our Staff From Dispatches

TOKYO — Japan received another dose of bleak economic data Monday, as the government said its current-account surplus widened and a private research firm said bankruptcies rose sharply.

The current-account surplus — the broadest measure of goods and services flowing in and out of Japan — jumped 53.1 percent in July from a year earlier as the nation's worst post-war recession threw down imports.

The Finance Ministry said the July surplus stood at 1.35 trillion yen (\$10.4 billion), climbing for the 16th consecutive month. Exports rose 5.9 percent, to 4.41 trillion yen, and imports fell 5.6 percent, to 2.93 trillion yen.

Compared with last year, steel-makers, machine-tool makers and automakers increased exports to the United States and Europe as sales plunged at home and in Asia. A rise

in the dollar against the yen this year has made that possible.

"The dollar is still strong, as judged by exporters, who think any level above 110 yen is profitable," said Koichi Ono, economist at Daiwa Institute of Research Ltd. "The dollar is unlikely to fall that far."

The drop in domestic demand has been devastating for Japanese companies. Teikoku Data Bank Ltd., a research company, said Monday that 1,534 Japanese corporations failed in August, a 15.4 percent increase from a year earlier.

The companies left debts of 1.01 trillion yen, a 49 percent increase from a year earlier.

Teikoku said the number of corporate failures was likely to keep rising sharply, citing problems in the manufacturing sector and a slump in the stock market, which may wipe out investment profits for many companies.

Corporate failures, in turn, are bobbing banks with bad loans.

The government has been trying to repair the country's failing banking sector, but so far has failed to get any concrete proposal put into action.

The governing Liberal Democratic Party put forward a new offer after attempts to broker a compromise deal went on late into the night Friday only to hit another deadlock.

Under the new proposal, Tokyo would change a law passed in February that made 13 trillion yen in public funds available to prop up struggling banks.

Now troubled banks would be required to cover bad loans with shareholder equity and their management would be forced to step down before public funds were injected, meeting two key demands of opposition lawmakers.

(Bloomberg, AP, AFP, Reuters)

# NTT Mobile to List Its Shares In IPO Valued at 1 Trillion Yen

Compiled by Our Staff From Dispatches

TOKYO — NTT Mobile Communications Network Inc., Japan's largest cellular phone company, said Monday it would list its shares on the first section of the Tokyo Stock Exchange on Oct. 22, following an initial public offering that analysts say could raise at least 1 trillion yen (\$7.65 billion).

NTT DoCoMo, as the company is better known, will sell 545,000 shares to the public, a 28.5 percent stake, which includes 218,000 shares owned by Nippon Telegraph & Telephone Corp., Japan's largest phone company.

NTT, Japan's former government monopoly for domestic phone service, has a 94.68 percent stake, or 1.5 million shares, in the cellular phone company. NTT's stake will be reduced to 67.1 percent after the cellular company goes public.

NTT Mobile Communications Network said it planned to pay an annual dividend of 3,000 yen. Until now, it has paid a 5,000 yen dividend.

The company's initial public offering

comes as the company is seeing rapid growth amid a boom in Japan's cellular phone market even as the country lingers in its worst recession in 50 years.

NTT said in May that its group net profit almost doubled from a year earlier to 289.9 billion yen, thanks to strong sales at the cellular company, even though profit from traditional phone service fell because of rate cuts amid intensifying competition.

NTT Mobile's group earnings for the year ended in March surged 20.5 percent to 120.6 billion yen on sales of 2.62 trillion yen, a 33.8 percent increase from previous year.

The company has signed up 57 percent of the 35 million cellular phone users in Japan.

A unit of DDI Corp., Japan's second-largest domestic long-distance phone company, has 13 percent of the market and IDO Corp., a subsidiary of automaker Toyota Motor Corp., has 9 percent. Three others control the remainder.

In trading in Tokyo on Monday, NTT shares fell 10,000 yen to 1,66 million yen.

(Bloomberg, AFP)

# Seoul to Acquire 2 Ailing Banks

Bloomberg News

SEOUL — The government agreed Monday to buy Commercial Bank of Korea Ltd. and Hanil Bank for 3.27 trillion won (\$2.39 billion) to help keep two of the country's biggest commercial banks afloat.

The government will own 94.76 percent of the two banks, which are to merge at the start of next year, and it aims to sell its stake to outside investors as soon as possible.

"This will set the precedent for many future mergers in the banking industry," said Yoo Woo Young, a director general at the Financial Supervisory Commission. "The government lends a hand and the end result will be fewer, but healthier banks."

South Korean banks have about 100 trillion won of possibly unrecouped loans, and the government has said it will spend half that amount this year to bail them out. The government already invested 3.2 trillion won in Korea First Bank and SeoulBank.

# CLINTON: President Urges World Finance Meeting

Continued from Page 1

possible grounds to impeach the president. In his speech in New York, Mr. Clinton made no reference to the Monica Lewinsky matter.

Mr. Clinton said it was important that countries that have opened themselves to the free-market system, and corporations and individuals that have conducted their own affairs responsibly, should not be unduly buffeted by a savage side of capitalism over which they had no control. To ignore those concerns, he said, would raise the risk of social unrest.

"If you consider today's economic difficulties, disruptions and plain old deep personal disappointments of now tens of millions of people around the world," he said, "it is clear to me that there is now a stark challenge not only to economic freedom but, if unaddressed, a challenge that could stem the rising tide of political liberty."

Mr. Clinton vowed that the United States would intensify efforts to encourage economic activity in the developing world.

He laid out a short-term approach to the economic crisis, saying the United States would:

- Work with Japan, Europe and other countries to spur growth.

- Expand efforts to help viable businesses in Asia "to emerge from crippling debt."

- Ask the World Bank to double its social support for Asians.

- Urge major countries to be ready to use the \$15 billion in IMF funds to stop the financial crisis from spreading to Latin America.

- Intensify efforts, through the Export-Import Bank, to generate economic activity in poorer countries.

- Urge Congress to approve new funding for the IMF.

This was Mr. Clinton's second appeal for IMF funding in recent weeks. But it is far from clear that the politically weakened president will succeed in gaining approval from Congress. Last week, a House committee declined to approve \$18 billion for the IMF, and other countries have indicated they will not provide their own share until the United States does so. The IMF, which has put together bailout packages for Asian countries and Russia totaling more than \$100 billion, said Friday that it had only \$5 billion to \$9 billion in its ordinary funds to deal with the economic turmoil.

Mr. Clinton did not specifically call for U.S. interest rates to be lowered. But he hinted at it, saying all major countries should do their part to stimulate global growth.

"The balance of risks has shifted" away from concerns about inflation and toward the need to stimulate stagnant or failing economies, he said.

The Treasury secretary, Robert Rubin, also said Mr. Clinton was not directly calling for a Fed rate cut. "He is not asking for the Fed to lower rates. He respects the independence of the Fed," Mr. Rubin told Bloomberg News. "What he was saying is that just as our focus over the past year has been restoring financial stability and growth, the rise of inflation has diminished. There needs to be a shift in focus."

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FRIDAY Holidays, Travel, Residential Real Estate, Dining Out.

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THE WORLD'S DAILY NEWSPAPER

# NOVELL: Chief Scientist Hopes New Software Will Allow the Company to Thrive

Continued from Page 13

Even better news for the company is that a 15 percent growth in sales of the existing version of Netware in the most recent quarter suggests that the computer market is interpreting the Windows NT 5.0 delay as a signal to renew its commitment to Novell.

Novell, which lost its market share advantage over Microsoft last year in the business of providing software that powers networks of desktop and central "server" computers.

Industry analysts are saying that Microsoft's technology snags, which they predict could delay the arrival of Windows NT 5.0 until next summer or later, will give Novell much-needed breathing room — and an opportunity to con-

solidate its hold over the 40 million Netware users.

"Netware 5.0 is here and Microsoft is not," said Steven Dube, a Wall Street analyst at Wasserstein, Perella & Co. "That has become a major factor."

If there is a true turnaround, Eric Schmidt, a former executive of Sun Microsystems Inc. who replaced Robert Frankenberg as Novell's chief executive in April 1997, would no doubt receive and deserve much of the credit.

But a corporate revival would be just as much the story of the renewed professional passion of Mr. Major, who remains the technological soul of Novell.

Inside the technical ranks of the company, Mr. Major still maintains a reputation as a software engineer who has

long emphasized technical efficiency as the best way to achieve product performance — continuously striving to reduce delays between the network and the hard disk of individual computers.

"Drew is all about speed and performance," said Kent Prows, a Novell engineer. "His legacy is that Netware now offers the fastest path between the wire and the disk."

While Microsoft's NT 5.0 has already ballooned to about 45 million lines of code because of Microsoft's effort to make the program all things to all users, Netware is still less than a fourth that size.

Industry engineers say the size advantage is almost certain to translate into a speed advantage.

That should help Mr. Major

and his technical team carry out Mr. Schmidt's strategy — a plan that goes beyond improving Netware's performance in office networks by trying to improve the performance of the entire Internet for corporate customers and Internet service providers. To supplement Mr. Major's team, Mr. Schmidt has been quietly recruiting new talent, much of it reflecting the aggressive, technology-first Silicon Valley engineering culture embodied by companies like Sun Microsystems.

Mike Sheridan, who recently left Sun for Novell, is leading a small team of Novell programmers who are building applications for the company's Netware Directory Services software — already a highly regarded piece of Net-

ware. Novell executives have come to consider it the company's most valuable asset, and they are intent on making it an Internet standard.

Directory software is the equivalent of electronic white pages, which enable computer users and other software programs to find other users, databases and resources in large computer networks.

While the World Wide Web is vaunted for enabling computer users to do many of those same tasks, anyone who has used the available search engines will attest to the need for much greater precision — especially if the Internet is being used for business and not for recreation. Novell contends that Netware Directory Services can meet that need.

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**Monday's 4 P.M. Close**  
(Continued)

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Stock	High	Low	Open	Close	Change
Am. Tobacco	100.00	98.00	99.00	98.50	-0.50
Am. Sugar	100.00	98.00	99.00	98.50	-0.50
Am. Oil	100.00	98.00	99.00	98.50	-0.50
Am. Cotton	100.00	98.00	99.00	98.50	-0.50
Am. Wheat	100.00	98.00	99.00	98.50	-0.50
Am. Corn	100.00	98.00	99.00	98.50	-0.50
Am. Soybean	100.00	98.00	99.00	98.50	-0.50
Am. Rice	100.00	98.00	99.00	98.50	-0.50
Am. Lard	100.00	98.00	99.00	98.50	-0.50
Am. Tallow	100.00	98.00	99.00	98.50	-0.50
Am. Hides	100.00	98.00	99.00	98.50	-0.50
Am. Wool	100.00	98.00	99.00	98.50	-0.50
Am. Leather	100.00	98.00	99.00	98.50	-0.50
Am. Rubber	100.00	98.00	99.00	98.50	-0.50
Am. Glass	100.00	98.00	99.00	98.50	-0.50
Am. Paper	100.00	98.00	99.00	98.50	-0.50
Am. Steel	100.00	98.00	99.00	98.50	-0.50
Am. Iron	100.00	98.00	99.00	98.50	-0.50
Am. Coal	100.00	98.00	99.00	98.50	-0.50
Am. Petroleum	100.00	98.00	99.00	98.50	-0.50
Am. Natural Gas	100.00	98.00	99.00	98.50	-0.50
Am. Electricity	100.00	98.00	99.00	98.50	-0.50
Am. Water	100.00	98.00	99.00	98.50	-0.50
Am. Telephone	100.00	98.00	99.00	98.50	-0.50
Am. Cable	100.00	98.00	99.00	98.50	-0.50
Am. Radio	100.00	98.00	99.00	98.50	-0.50
Am. Television	100.00	98.00	99.00	98.50	-0.50
Am. Motion Picture	100.00	98.00	99.00	98.50	-0.50
Am. Book	100.00	98.00	99.00	98.50	-0.50
Am. Newspaper	100.00	98.00	99.00	98.50	-0.50
Am. Magazine	100.00	98.00	99.00	98.50	-0.50
Am. Record	100.00	98.00	99.00	98.50	-0.50
Am. Film	100.00	98.00	99.00	98.50	-0.50
Am. Photograph	100.00	98.00	99.00	98.50	-0.50
Am. Jewelry	100.00	98.00	99.00	98.50	-0.50
Am. Clothing	100.00	98.00	99.00	98.50	-0.50
Am. Furniture	100.00	98.00	99.00	98.50	-0.50
Am. Automobile	100.00	98.00	99.00	98.50	-0.50
Am. Boat	100.00	98.00	99.00	98.50	-0.50
Am. Airplane	100.00	98.00	99.00	98.50	-0.50
Am. Ship	100.00	98.00	99.00	98.50	-0.50
Am. Train	100.00	98.00	99.00	98.50	-0.50
Am. Bus	100.00	98.00	99.00	98.50	-0.50
Am. Truck	100.00	98.00	99.00	98.50	-0.50
Am. Motorcycle	100.00	98.00	99.00	98.50	-0.50
Am. Bicycle	100.00	98.00	99.00	98.50	-0.50
Am. Scooter	100.00	98.00	99.00	98.50	-0.50
Am. Car	100.00	98.00	99.00	98.50	-0.50
Am. Van	100.00	98.00	99.00	98.50	-0.50
Am. Minivan	100.00	98.00	99.00	98.50	-0.50
Am. SUV	100.00	98.00	99.00	98.50	-0.50
Am. Truck	100.00	98.00	99.00	98.50	-0.50
Am. Bus	100.00	98.00	99.00	98.50	-0.50
Am. Train	100.00	98.00	99.00	98.50	-0.50
Am. Ship	100.00	98.00	99.00	98.50	-0.50
Am. Airplane	100.00	98.00	99.00	98.50	-0.50
Am. Boat	100.00	98.00	99.00	98.50	-0.50

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## INTERNATIONAL INVESTING

## Will Argentina's Dollar Peg Buckle Under Pressure? Unlikely, Experts Say

By Clifford Krauss  
New York Times Service

**BUENOS AIRES** — It has become almost a daily ritual. President Carlos Saul Menem and his chief economic advisers take every opportunity to promise that they will not retreat from the government's fixed exchange rate that pegs the value of the Argentine peso to the American dollar one to one.

Such pronouncements have often preceded huge devaluations in Latin America. But most Argentine economists and Wall Street analysts are taking Mr. Menem at his word, at least for now, despite concerns that the currency peg could push up interest rates and unemployment.

"I think it will hold," said Jorge Mariscal, chief investment strategist for Latin America at Goldman Sachs. Before devaluing, Mr. Mariscal said, Argentina would, in a severe crisis, probably "dollarize" its economy as Panama has for decades — replacing its currency with dollars.

In part, the cautious optimism that Argentina will not have to devalue comes from the slight strengthening in the yen in recent weeks. That has relieved concerns that China will have to devalue, which in turn has helped Hong Kong sustain its currency peg to the American dollar. But if the yen slides again, or the Brazilian real suddenly collapses, Argentina could face deep financial trouble.

"At this point the only way I could foresee a change is if capital flight were so massive it would mean everyone would convert their pesos into dollars," said Martin Redrado, a former Menem adviser who runs an economic research center here. "But so far the Argentine banks have weathered this crisis very well."

The Argentine program has attracted global attention recently, with Indonesia and Russia considering similar policies. Indonesia rejected a peg to the dollar, while Russia has to adopt a rescue plan.

All five presidential candidates vying to replace Mr. Menem in elections next year have promised not to replace the peg because of fears that a change of policy could mean a return to economic

mismanagement.

Faced with an inflation rate of 2,300 percent and a run on the banks, Mr. Menem installed the currency peg in 1991. Within weeks, the inflation rate plummeted and has stabilized at around 1 percent in the past three years.

Currency stability and an aggressive government program of privatizing public agencies drew a flood of foreign investment, which in turn stimulated strong economic growth rates that peaked at 8 percent last year.

The currency peg is set by a law that prohibits the government from printing new pesos unless they are backed by dollars or gold reserves in the central bank. Other laws require private banks to keep 25 percent of their reserves in the

central bank. As added insurance, the government has negotiated lines of credit with a number of investment banks, including Goldman Sachs & Co., Morgan Stanley & Co. and Lehman Brothers.

Despite the growing economic crisis in Venezuela and Brazil, the Argentine government reports that it has \$24.5 billion in reserves in the central bank, slightly more than the total amount of pesos in circulation. Even more impressive, local economists note, is that private bank deposits actually grew last month by five-tenths of a percent despite the bad news from Asia and Russia.

"The tangible economic gains from the convertibility program argue heavily in favor of retention of convertibility despite any ill consequences," said

Lawrence Goodman, chief economist at Santander Investment, the investment banking arm of Banco Santander.

Mr. Goodman noted that when faced with a similar economic crisis after the Mexican devaluation in 1994, Mr. Menem did not budge from the peg despite rising interest rates and an unemployment rate that climbed as high as 18 percent. Unemployment has since fallen to 14.2 percent.

Still, convertibility has a price. Because it is linked to a strong dollar, Argentine exports are expensive and are dropping. According to the latest government statistics, Argentina's trade deficit in July climbed to \$741 million, more than double the amount of the month before.

## 4 Small-Cap Funds Reopen Their Gates

By Tim Quinson  
Bloomberg News

**BOSTON** — Investors looking for any sign that the rout in U.S. small-company stocks is nearing an end may take heart.

Four relatively successful small-cap mutual funds are reopening to new investors because their managers say they want money to buy stocks that recent market declines have made dirt cheap.

Since April, the Russell 2000 index — the benchmark for small-cap funds — is down more than 28 percent.

"I haven't seen so many buying opportunities since we started the fund three years ago," said Steven Reid, manager of Oakmark Small Cap Fund, which has fallen 27.7 percent so far this year and reopened to investors this month. "It's not just stocks that are reporting earnings disappointments that are going down. Anything with a ticker symbol is going down these days."

The fund closed its doors in June 1997 on concern it was getting too big to be managed effectively. At the time, it was a high-flier even though small-cap stocks generally were lagging shares of big companies. Oakmark Small Cap rose 40 percent in both 1996 and 1997.

One stock Mr. Reid likes in this

battered market is R.G. Barry Corp., the largest U.S. manufacturer of slippers. The shares traded at about 11.5 times the earnings per share forecast for this year and less than 10 times the estimate for next year, he said.

Other small-cap funds opening their doors again to new investors are Wasatch Micro-Cap Fund and Wasatch Aggres-

**'Our portfolio managers wanted cash to buy stocks at lower levels. With a closed fund, there's almost no money around.'**

sive Equity Fund, run by Wasatch Advisors Inc., starting Sept. 21, and Heartland Value Fund, which Heartland Advisors Inc. is reopening on Nov. 9.

"We're value investors, and we haven't seen valuations so low in more than three years," said Eric Miller, co-manager of Heartland Value.

Mr. Miller and his co-manager, William Nasgrovitz, closed the fund about three years ago, saying the market was getting fully valued. Its assets peaked this year at about \$2.4 billion and have since slipped to about \$1.54 billion.

Fund companies deny they are opening the funds because the decline in assets caused by the market slump is reducing their management fees.

"Ours is a stock market-related decision, not a business-related one," said James Milligan, marketing director of Salt Lake City-based Wasatch Advisors, which manages a total of about \$1 billion of assets.

"If it was a marketing decision, I would have made it," he said. "The decision was made by our portfolio managers, who wanted cash to buy stocks at lower levels. With a closed fund, there's almost no money around to buy stocks."

Mr. Milligan said the \$111.2 million Micro-Cap Fund will reopen after a year of being shut to new investors and stay open until assets reach \$150 million.

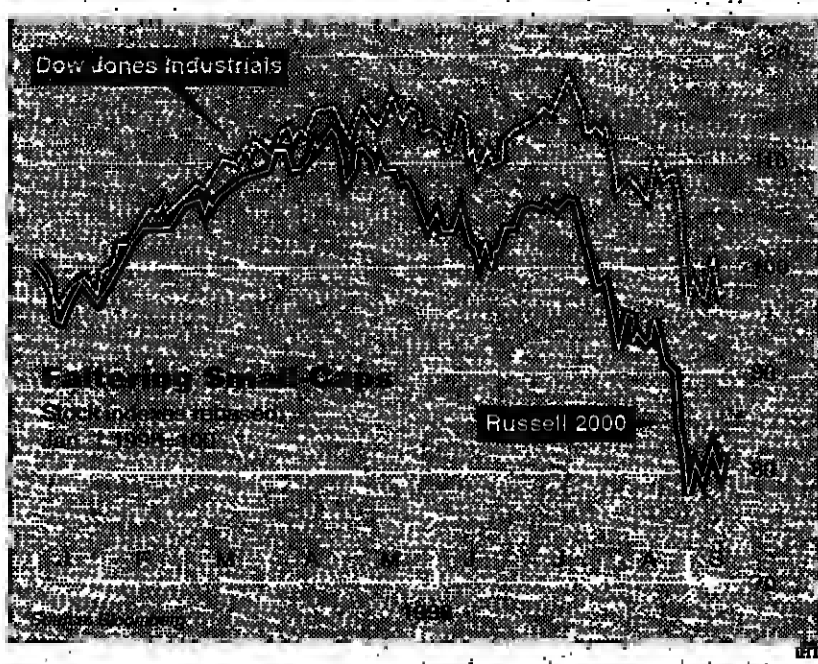
"We're talking about an extra \$40 million of assets, which translates into profits of maybe \$100,000," he said.

"It's not a lot of money for a firm that earns millions. In fact, it might cost the firm money because of all the paperwork tied to reopening a fund."

Micro-Cap has declined 8.78 percent this year, and Aggressive Equity has fallen 18.3 percent.

Mr. Miller said his Heartland Value Fund will accept only new investments that are at least \$25,000 in an effort to attract only those investors who take a long-term perspective.

Given the fund's performance, it is



unlikely that scores of new investors will flock to it. The fund rose at an annual rate of 7.25 percent in the three-year period through Sept. 9, ranking No. 39 of 205 small-cap stock funds tracked by Bloomberg Fund Performance.

"We're not expecting that a lot of cash will come in," Mr. Miller said. "We've been out of the limelight and our performance has been pedestrian."

The fund's returns are consistent with what has happened to the U.S. market over the past three years, a period when large-cap stocks outperformed small-cap stocks by a wide margin.

The Standard & Poor's 500-stock index — the benchmark for large-cap stocks — rose at an annual rate of 21.1 percent the past three years, and the Russell 2000 gained at a rate of 4.9 percent.

## European Bourses Strengthen Links

Reuters

**PARIS** — Financial futures and options exchanges in Germany, France and Switzerland took a first step Monday in the march toward a common electronic trading platform.

Eurex, the combined German and Swiss derivatives exchange, and France's MATIF/MONEP exchange said they had signed an agreement letting the members of their respective bourses trade each other's products, otherwise known as cross-membership.

The cross-membership deal is the first concrete step taken by the bourses since signing a memorandum of understanding in February, creating the grouping known as Euro Alliance.

The agreement may also soothe relations between Paris and Frankfurt, the Paris Bourse suffered a severe setback in July when Eurex Deutschland's parent, Deutsche Boerse AG, signed a deal to cooperate with the London Stock Exchange for cash equities trading.

The Euro Alliance goal is to build electronic links between exchanges to allow, for example, a Chicago-based Eurex member both to trade MATIF products and have them taken into account when Eurex calculates how much money must be put up to back the positions.

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Kathy Hour: Fax (33-1) 41 43 92 12 or e-mail: fund@bt.com

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<p><b>001 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: \$100m NAV: \$10.00 YTD: +10.00%</p> <p><b>002 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: \$100m NAV: \$10.00 YTD: +10.00%</p> <p><b>003 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: \$100m NAV: \$10.00 YTD: +10.00%</p> <p><b>004 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: \$100m NAV: \$10.00 YTD: +10.00%</p> <p><b>005 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: \$100m NAV: \$10.00 YTD: +10.00%</p> <p><b>006 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: \$100m NAV: \$10.00 YTD: +10.00%</p> <p><b>007 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: \$100m NAV: \$10.00 YTD: +10.00%</p> <p><b>008 ABC ASIAN BANK (F.C.)</b> Investment: 100% Asian Banks Assets: \$100m Net Assets: 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Experts

INTERNATIONAL INVESTING

# Entrepreneur Taps Market for Rumors and Tips

By James A. Anderson  
New York Times Service

NEW YORK — It's 9 A.M., and a rumor central is abuzz.

A few blocks north of the New York Stock Exchange, the gossip in chief, Charles Payne, is busy orchestrating a barrage of faxes and calls, putting out the word to subscribers to his tip sheet and stock-picking service, Wall Street Strategies.

The telephone lines are alive with the stuff craved by the brokers, day traders and institutional investors who pay Mr. Payne's bills: tips on future mergers and stocks that seem ready to fly.

The rumor business is booming for Mr. Payne. More than 5,000 subscribers will pay his company a total of \$3 million this year.

The growing reputation of his service has brought Mr. Payne, 35, a fair amount of celebrity. Financial news cable networks call him regularly for on-camera appearances, making him perhaps the most visible stock picker since Dan Dorfman, the onetime USA Today and Money magazine columnist.

"If I could get him on every week, I would," said Susan Feltman, a senior producer of personal finance call-in shows for a financial network called CNNfn. "The minute he's on, the phone banks light up, and all 20 lines don't go dead until he's gone."

Not bad for a former stockbroker who started his market newsletter eight years ago out of a one-bedroom Harlem apartment, and who until a month ago toiled in a cramped office that most Wall Street media stars wouldn't use as a closet.

In the stock market, of course, gossip can be lifeblood. The seven-year bull market engendered a gold-rush mentality in some investors that recent slides in the market, if anything, may have intensified.

In such an environment, the latest gossip, no matter how speculative, can be a precious commodity; the first people to hear word of a possible deal can quickly take a stake and secure a profit from the later stampede, regardless of whether the prophecy comes true.

While there are many broker newsletters, few trade in whispers quite the

way Wall Street Strategies does. Competitors like Dorsey, Wright & Associates and Cabot Money Management, publisher of The Cabot Market Letter, said they base their stock choices on technical and fundamental analysis, not rumors.

The business of disseminating stock tips is largely unregulated. Publicly traded companies are obliged to report material developments promptly and publicly, but it is generally up to the exchanges, not the government, to set rules on how they must do it.

The Security and Exchange Commission steps in if it suspects market manipulation, and the guarantee of press freedom in the First Amendment does not exempt reporters from commission regulations prohibiting the use of information to manipulate stocks for personal profit.

High-profile journalists have suffered career-wrecking consequences when accusations of manipulation have surfaced. Mr. Dorfman was dismissed by Money in January 1996 after declining to tell editors about his sources for tips he reported about some stocks. Regulators have not charged Mr. Dorfman with any wrongdoing and he has said he did nothing improper.

Newsletter publishers and tip service operators have also run afoul of the SEC. Cabot Money Management was censured and fined in 1996 for delaying proper disclosure that it held a substantial stake in a stock, Prestek Inc., that it had recommended. Cabot agreed to pay the fines without admitting or denying wrongdoing.

And Mr. Payne's previous employer, a tip service called Traders and Investors Alert, was shut down in 1989 by New Jersey regulators for operating as an unregistered investment adviser. Its owner, Barry Davis, was later pro-

## A Rumor Sampler

Here are examples of stock tips and rumors that Charles Payne of Wall Street Strategies distributed to his subscribers on Friday.

**ATLANTIC RICHFIELD**  
Payne thinks Exxon may soon make a takeover offer. If Atlantic Richfield isn't the intended target, Chevron or Mobil may be, he says.

**GLOROX** The bleach maker's brand is such a stable money maker that a European company like Unilever might make an offer, Payne says.

**QWEST COMMUNICATIONS**  
Payne says the fiber optic network the company has built is looking irresistible to acquisition-minded Baby Bells or even AT&T.

**3COM** With Alcatel, Lucent Technologies and Nortel all vying for a greater share of the data communications market, Payne says one of the three could snap up 3Com.

its former chairman and chief executive, Arthur Feher Jr., was convicted of securities fraud involving, among other things, issuing false press releases to bolster its stock price.

Mr. Payne's newsletter got in hot water after it recommended the stock of Members Service based on several upbeat announcements about the company's business prospects that later proved false, according to an SEC complaint, which also contends that Mr. Payne was paid \$70,000 to promote the stock.

Mr. Payne said that he did nothing wrong, and he said that he is in settlement discussions with the SEC because he wants to avoid protracted litigation. He contends that all he did was repeat what had already been reported in the company's news releases. Attorneys for Mr. Payne said he denies the allegations concerning the \$70,000 payment.

Mr. Payne said his 27-person office processes a lot of gossip but discards the majority of tips that come through the door. He said he personally vets the ones that do make the cut, looking for unusual trading action in the stock or tips from multiple sources.

Mr. Payne said most of his stock picks are based on market observations, not tips; only 10 percent, he said, started out as rumors.

But it is the rumors that attract attention: Speculative items about some 40 to 50 deals a week show up in his reports, each graded with Mr. Payne's assessment of the likelihood of its coming true. (On his scale of 1 to 10, a 5 or 6 means "food for thought"; a 10 means he thinks the ink is all but dry.)

Wall Street Strategies offers tips, picks and observations in several packages ranging from a monthly newsletter to twice-daily faxes to calls alerting subscribers when there is a hot item to pass along. Fees range from \$2,500 to \$15,000 a year.

Mr. Payne is proud of some of his more spectacular hits this year. On Aug. 3, two tips he had given the previous week panned out: Shares of American Stores, a grocery chain that announced a deal to be bought by Albertson's, and Stratus Computer, which said it would be bought by Ascend Communications, both shot up to the low \$30s from the low \$20s that Monday.

Mr. Payne has also made miss-picks. For example, he added Sovereign Bancorp to his recommended list several months ago, when it was trading around \$19, on the strength of what he thought was a hot takeover rumor. But no deal has been announced, and the stock has languished, closing on Friday at \$12.37.

And in the rapid-fire universe of rumor-driven trading, one day's star can be the next day's stinker. Mr. Payne recommended Melco Bank the day before Bank of New York proposed a merger in April, and Mellon's shares duly rocketed with the announcement. But Mellon rejected the offer and its stock has now fallen back to \$56.4375, well below the \$68 it was fetching when Mr. Payne endorsed it.

Mr. Payne does the kind of market momentum and technical analysis that brokers could do themselves if they had time between cold-calling new clients



Charles Payne oversees a beehive of activity at the offices of his Wall Street tip sheet. After starting a newsletter in a one-bedroom apartment, he is now sought for television appearances as a celebrated stock picker.

and hand-holding existing account holders.

"I think he does a good job," said James Holloway, managing editor of MarketScope, a wire service for brokers run by Standard & Poor's Corp. MarketScope occasionally calls Mr. Payne for comment on merger talk surrounding stocks. "I think he's uniquely positioned in the marketplace, and a number of the rumors he's passed along have turned out to be correct."

Wall Street Strategies says it does not track the overall rate of return for its stock picks, and its newsletters are not among those monitored by Hulbert Financial Services, the rating firm.

The sheer volume of tips in Mr. Payne's newsletters and the sometimes cryptic commentary complicates any effort to tote up his score.

Consider the number of tips Mr. Payne was offering clients six months ago. The March 4 edition of Storyline, his main rumor sheet, included mention of 123 stocks, some with hard-to-verify remarks like "looking for suitors" or "sources say building stake."

The company's new offices, especially an hour or so before the market opens, are reminiscent of a commodity trading pit crossed with a newsroom at deadline.

Staff members pace tensely, tethered to phone cords, while Mr. Payne keeps vigil over a bank of six computer monitors at one end of the room. He is the only one fielding questions and issuing buy or sell recommendations; his staff is there to field incoming calls from some subscribers and to place alerting calls to others.

Some staff members reflect an unconventional hiring philosophy on Mr. Payne's part. One salesman for Wall Street Strategies was a bartender whom Mr. Payne chatted up one day; another was a Manhattan cabdriver who was lucky enough to pick up Mr. Payne as a fare.

Mr. Payne had brief stints as a broker at several small Manhattan brokerage firms before landing at Traders and Investors Alert. When it closed, he scraped together \$4,000, setting up Wall Street Strategies in a Harlem apartment and cold-calling brokers.

With all the attention he is receiving, Mr. Payne still pines for broader recognition and a chance to run some serious money himself. "I keep thinking someone's going to walk in here with a couple million to manage one of these days," he said.

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**WORLD ROUNDUP**

**IOC Wants Unity  
On Drug Policies**

**OLYMPICS** The International Olympic Committee plans to lobby Major League Baseball and other professional sports in the United States to urge them to conform with the Olympic drug policy, including a ban on androstenedione, the muscle-building compound used by the St. Louis Cardinals' slugger, Mark McGwire.

The IOC's medical director, Patrick Schamasch, confirmed Monday in Seoul that he would meet with baseball officials to encourage them to adopt the IOC's list of banned substances. "I don't want to focus on one substance, but I will say, 'Let's harmonize the list,'" Schamasch said. (AP)

**Saberhagen Extended**

**BASEBALL** Bret Saberhagen, who bounced back from two seasons of shoulder problems to become one of the Boston Red Sox's best pitchers, agreed to a three-year contract extension with an option for 2002. Saberhagen, 34, is 13-7 with a 4.00 ERA in 28 starts this season. The two-time Cy Young Award winner missed most of 1996 and 1997 because of trouble with his right shoulder. (AP)

**Bulgaria Hires Dimitrov**

**SOCCER** Dimitar Dimitrov, coach of the Bulgarian champion, Litex, was appointed Monday to head the country's national squad in place of Hristo Bonev, who resigned. Dimitrov, 39, gained popularity last year when he led Litex, a newcomer to the premier league, to its first championship title. He earlier coached Neftochimik in the Black Sea town of Burgas. (AP)

**Cowboys Lose Game and Aikman**

**Elway Is Also Injured in Denver's 42-23 Shellacking of Dallas**

By Timothy W. Smith  
New York Times Service

**DENVER** — This was supposed to be a measuring-stick game for Dallas, an opportunity for the Cowboys to see where they stood against a defending Super Bowl champion.

Instead, it turned into a punishing Sunday afternoon on a number of levels.

On a football level, Denver pounded Dallas on the field, beating the Cowboys, 42-23, behind quarterback John Elway's two touchdown passes and one

**NFL Roundup**

running score and running back Terrell Davis' 91 yards and three touchdowns. On an even more painful level, both teams lost their quarterbacks to injury.

Aikman left the game in the second quarter with what the team said was a fractured left collarbone, and will miss four to eight weeks.

Elway, who completed 16 of 22 passes for 268 yards before being hurt, pulled up limping after rolling out for a pass to receiver Ed McCaffrey midway through the fourth quarter. He left the game with 9 minutes 44 seconds to go after handing off to Davis. It appeared that Elway might have pulled his right hamstring because he was clutching the back of his thigh as he left the field.

Denver raised its record to 2-0 and seemed to be in Super Bowl form. But Dallas (1-1) is in trouble.

The Cowboys will have to go against the Giants with the backup quarterback Jason Garrett. The bad news for the Cowboys is that Garrett is not Troy Aikman. The good news is that Garrett is 2-0 in games he has started in place of Aikman.

Aikman's latest injury came on the second of two runs around the right end. He picked up three yards on the first run, when all of his receivers were covered. He was forced to run again on the next

play, but instead of going into the quarterback huddle, he went down on his left side, and Denver's defensive end Neil Smith and linebacker Marvin Washington landed on top of him, pushing his left shoulder into the turf at an odd angle.

Aikman got up slowly and then started to head back to the huddle, but instead turned to the sideline.

He was taken to the locker room for X-rays, which revealed the fracture. He emerged from the locker room just as Denver was driving for its fifth touchdown of the first half.

Aikman's injury thwarted any hope of the Cowboys' engaging in a shoot-out with the Broncos' high-powered offense. At the time Aikman left the game, the Cowboys were trailing, 28-14. But the Dallas offense was moving the ball.

The Aikman situation added injury to insult for the Cowboys, whose defense was shredded by Elway, tight end Shannon Sharpe (two first-half touchdowns) and Davis (two first-half touchdowns on runs of 63 and 59 yards) on successive Denver possessions.

Davis has scored a rushing touchdown in the last six games, a team record.

In other games, The Associated Press reported:

**Jaguars 21, Chiefs 16** Reggie Barlow scored on an 85-yard punt return and Tavian Banks had a 65-yard kickoff return to set up another score as host Jacksonville beat Kansas City. James Stewart gained 103 yards on 26 carries to become the first back to record consecutive 100-yard rushing games for the Jaguars (2-0).

**Saints 19, Panthers 14** Danny Wuerffel, given a chance to start at quarterback when Billy Joe Hobert was knocked out for the season last week, shook off constant pressure and led the host Saints to their first 2-0 start since 1993. Doug Brien kicked two long field goals to get the Saints close, and they scored the winning touchdown with 9:15 left on a 15-yard run by Ray Zellers.

Wuerffel, the 1996 Heisman Trophy

winner, completed 13 of 18 passes for 145 yards and a touchdown.

**Bengals 34, Lions 28** In Pontiac, Michigan, Corey Sawyer intercepted Scott Mitchell's pass to Johnnie Morton on the fourth play of overtime and returned it 53 yards for a touchdown. Barry Sanders, who rushed for 185 yards and three touchdowns for the Lions (0-2), tied the game at 28 on a 5-yard scamper with 1:52 left in the fourth quarter.

**Vikings 38, Rams 31** Randall Cunningham, substituting for injured Brad Johnson, threw a 19-yard touchdown pass to Chris Carter with 2:09 left to lift the Vikings over St. Louis. The Rams (0-2) almost tied it on the final play when quarterback Tony Banks dived for the end zone following an 8-yard scramble, but he was stopped less than a yard away.

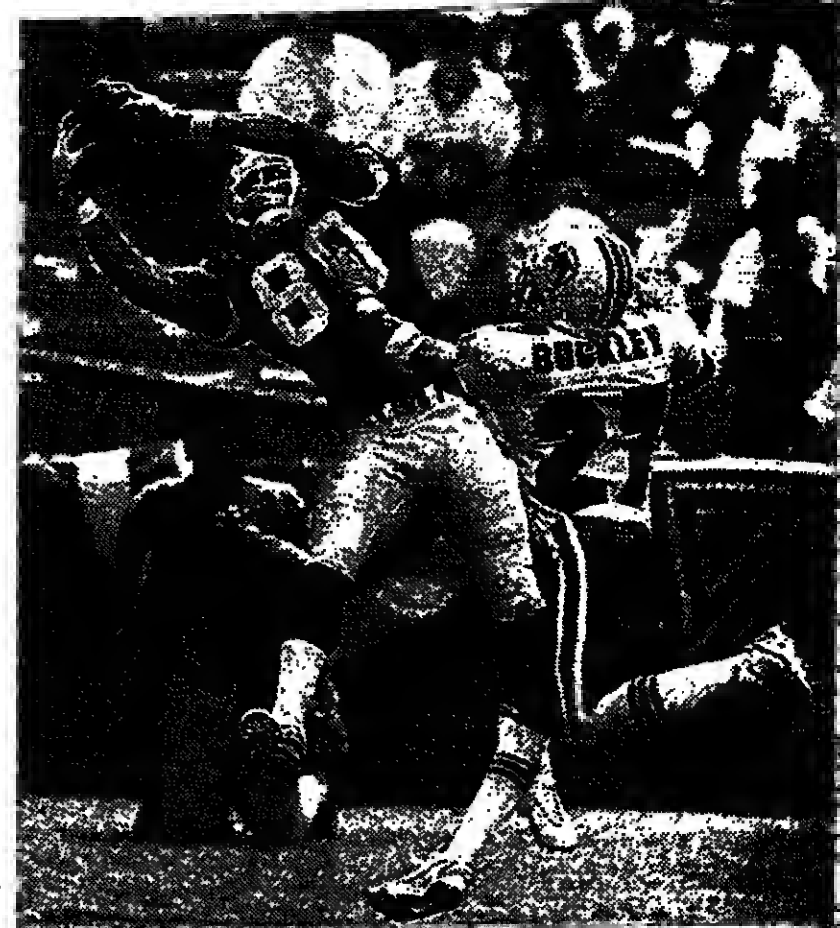
**Falcons 17, Eagles 12** Rebounding from a dismal first half, Atlanta scored on its first two possessions of the third quarter and improved to 2-0 for the first time since 1985. Chris Chandler threw a 19-yard touchdown pass to Brian Kozlowski, and Jamal Anderson added a 1-yard scoring run for the best Falcons.

**Chargers 13, Oilers 7** In Nashville, Tennessee, Ryan Leaf set up San Diego's only touchdown with a 20-yard scramble, and John Carney kicked two field goals as the Chargers spoiled the Oilers' first regular-season game in their new hometown.

**Seahawks 33, Cardinals 14** Willie Williams and Shawn Springs returned interceptions for touchdowns and Ricky Waters had his first 100-yard rushing game for host Seattle. Waters, the former Eagles' running back, gained 105 yards on 22 carries.

**Raiders 20, Giants 17** Greg Davis kicked a 26-yard field goal with 1:59 remaining as Oakland gave its coach Jon Gruden his first victory in a penalty-plagued game.

Oakland's Eric Turner sacked Danny



Buffalo's Eric Moulds leaping over Miami's Terrell Buckley for a score.

the final possession for the visiting Giants.

**Patriots 29, Colts 6** Peyton Manning threw three interceptions and fumbled — giving him seven turnovers for the season — and remained winless in his two pro games as New England rolled past visiting Indianapolis.

In games that appeared in late editions Monday:

**Ravens 24, Jets 10** Rod Woodson had two interceptions, returning the second 60 yards for the clinching touchdown, and Jermaine Lewis went 69 yards on a punt return to lead the visiting Ravens.

**Dolphins 13, Bills 7** Miami sacked Rob Johnson eight times and limited visiting Buffalo to 187 yards. Dan

Marino threw for the Dolphins' only touchdown, a 17-yarder to Lamar Thomas.

**Packers 23, Buccaneers 15** Reggie White got three sacks and led a pass rush that harassed Trent Dilfer all day as the host Packers won their 29th straight home game.

**Steelers 17, Bears 12** In Pittsburgh, Jerome Bettis bounced back from his worst game with Pittsburgh, running for 131 yards and a touchdown to lead the Steelers (2-0) over the Chicago Bears.

The Bears (0-2), 24-23 losers to Jacksonville last week when they couldn't score from the 1-yard line with four minutes left, again muffed a chance to win in the first quarter.

**Klim Wins More Gold**

The Associated Press

**KUALA LUMPUR** — Michael Klim of Australia charged back to his best after a world record relay swim to claim the Commonwealth Games 100-meter freestyle gold medal Monday.

Mark Versfeld of Canada won the 200-meter backstroke to prevent Australia from making a clean sweep for the second night running, but the Aus-

trian Radley of Australia was second in 2:01.41 and Greg Hamm of Canada third in 2:01.47.

O'Neill won her seventh games gold medal, tying her nation's record for most medals by women swimmers, held jointly by Hayley Lewis and Lisa Curry-Kenny, and then moved past them by anchoring the relay.

The Olympic 200-meter butterfly champion won her first Commonwealth gold in Auckland in 1990 and got three more in Victoria, Canada, four years ago. She is chasing Michael Wenden's Australian record of nine Commonwealth swim titles.

O'Neill overcame challenges from Canada's Joanne Malar and then England's Vicki Horner to win the 400-meter freestyle.

**All Blacks Take Rugby Gold**

New Zealand clinched its 100th Commonwealth Games gold medal when, in the sport it plays best, it downed Fiji by 21-12 on Monday to win rugby's first Games title.

Travis Seymour, Christian Cullen and Caleb Ralph subdued the Fijians in the final of the 7-a-side competition at the Petaling Jaya stadium. But the star was its Jonah Lomu, who helped set up the first two tries and tackled back to foil two almost certain Fiji tries with the All Blacks defense seemingly beaming.

"Words can't explain it," Lomu said. "It's a once in a lifetime opportunity that we got. I'm absolutely astounded, flabbergasted by the amount of people here who know about rugby."

**2 Aussies Turn Back Clock in a Memorable Final**

By Christopher Clarey  
New York Times Service

**NEW YORK** — The United States did not pay much attention to its Open this year. Between reports about baseball stars and the Start report, the less propped news from Flushing Meadows slipped through the cracks in the Manhattan sidewalks or far out of focus.

What America missed was a remarkable encore performance from Patrick

that at times bordered on acrobatic.

What was so reaffirming on Sunday to the older Australians was that, despite the leaps in racket technology in the last two decades and the proliferation of surfaces, Rafter and Philippoussis played the same way.

Philippoussis, only 21, has been less committed to serve-and-volley tennis than Rafter over the course of his brief career. Nicknamed "Scud" by Newcombe in 1994 because of his powerful serve and groundstrokes, he has been too true to that sobriquet: creating

**U.S. OPEN TENNIS**

Rafter, who defended his title in style. But not every tennis nation was in different, and on Sunday when Rafter and Mark Philippoussis began exchanging kick serves and crisp volleys, bundlers of thousands of Australians who had set their alarms for early Monday morning were in front of their television sets and experiencing an amalgam of patriotism and nostalgia.

It had been 28 years since two Australians met in a U.S. Open final and 22 years since they met in a Grand Slam final. "I suppose this makes me feel young again, to see my memories coming back to life," said Geoff Pollard, the president of Tennis Australia and a former junior rival of John Newcombe and Tony Roche.

The tennis that Pollard, Newcombe and Roche learned to play was perfectly suited to the grass courts that predominated and the rugged, proactive, nationalistic spirit with which their Australian generation was imbued. It was characterized by controlled aggression, repeated assaults on the net and athleticism



Patrick Rafter pumping his fist after winning second straight Open.

plenty of sparks; receiving plenty of attention, and despite some direct hits on important targets, performing below expectations.

But he now has results to go with his Ferrari and 20 pounds (9 kilograms) less on his 6-foot-4 (1.93-meter) frame than a year ago. After striking bottom in June and publicly mulling the idea of a sabbatical from tennis, he added the former Wimbledon champion Pat Cash to his coaching team and immediately reached his first Grand Slam quarterfinal at the All England Club in July, losing to eventual champion Pete Sampras. At the U.S. Open, with Cash egging him on, he continued to propel himself to the net and past his opponents.

He lost the final by the lopsided score of 6-3, 3-6, 6-2, 6-0, but until the fifth game of the third set, the outcome was in doubt. Philippoussis saved three break points in that game, but at 2-4, he played arguably the finest point of the match, and Rafter, at his scrambling and swashbuckling best, won it after tracking down an overhead and later firing a volley that Philippoussis misjudged.

On the next point, Philippoussis, looking just a touch mechanical, knocked a forehand half-volley into the net to lose his serve and fall behind 2-4. He did not win another game, and lost the match with his 13th double fault.

It had been strength against strength, but the smaller and more determined man had proven stronger. "Now I feel last year wasn't such a fluke," said Rafter, the sixth man in the Open era to defend this title. "This year I feel I've consolidated."

Against Philippoussis, Rafter's in-

stincts at the net were superior; so were his court coverage and consistency. He made 72 percent of his first serves; won 76 percent of the points when he approached the net and finished with 39 winners and only five unforced errors. "Pat's been playing that style a lot longer than Mark," said Roche, who lost to Ken Rosewall in 1970 in the last all-Australian final at the Open.

Roche, the Davis Cup coach for Australia, has been counseling Rafter for several years, and he sat with Rafter's camp on Sunday, which did not sit well with Philippoussis or his father, Nick.

But Philippoussis had declined to play Davis Cup this year, a decision that has cost him popularity at home and with his teammates, including Rafter. "I'm the Davis Cup coach," Roche said. "I'm responsible for players in the Australian team. I don't coach Pat. I work with all the guys on the team."

Philippoussis said on Sunday that rejoining the team was "not in my thoughts at the moment." But Rafter hopes he will reconsider. "I do see where he's coming from, but I also see where Roche and Newk come from, too, and they've only been very positive support."

Their support and expertise has certainly helped Rafter, a like-minded soul who can celebrate as hard as he plays. He is better than last year. His return has improved; so have his serve and volleys and self-image.

When it ended, he seemed more satisfied than euphoric. "Last year, I was jumpy and nervous. I was all over the place," Rafter said. "This year, although I got lucky in the beginning, I felt that I belonged here."

**SCOREBOARD**

**BASEBALL**

**MAJOR LEAGUE STANDINGS**

AMERICAN LEAGUE	EAST DIVISION	CENTRAL DIVISION	WEST DIVISION
1. New York	71	68	65
2. Boston	63	64	64
3. Toronto	51	56	54
4. Baltimore	49	51	51
5. Tampa Bay	48	49	49
6. Cleveland	47	47	47
7. Chicago	46	46	46
8. Kansas City	45	45	45
9. Minnesota	44	44	44
10. Detroit	43	43	43
11. Oakland	42	42	42
12. Seattle	41	41	41
13. Los Angeles	40	40	40
14. San Francisco	39	39	39
15. Houston	38	38	38
16. St. Louis	37	37	37
17. Milwaukee	36	36	36
18. Cincinnati	35	35	35
19. Pittsburgh	34	34	34
20. San Diego	33	33	33
21. San Francisco	32	32	32
22. Colorado	31	31	31
23. Arizona	30	30	30
24. Texas	29	29	29
25. Philadelphia	28	28	28
26. Washington	27	27	27
27. Atlanta	26	26	26
28. St. Louis	25	25	25
29. Cincinnati	24	24	24
30. Pittsburgh	23	23	23
31. San Diego	22	22	22
32. San Francisco	21	21	21
33. Colorado	20	20	20
34. Arizona	19	19	19
35. Texas	18	18	18
36. Philadelphia	17	17	17
37. Washington	16	16	16
38. Atlanta	15	15	15
39. St. Louis	14	14	14
40. Cincinnati	13	13	13
41. Pittsburgh	12	12	12
42. San Diego	11	11	11
43. San Francisco	10	10	10
44. Colorado	9	9	9
45. Arizona	8	8	8
46. Texas	7	7	7
47. Philadelphia	6	6	6
48. Washington	5	5	5
49. Atlanta	4	4	4
50. St. Louis	3	3	3
51. Cincinnati	2	2	2
52. Pittsburgh	1	1	1
53. San Diego	0	0	0
54. San Francisco	0	0	0
55. Colorado	0	0	0
56. Arizona	0	0	0
57. Texas	0	0	0
58. Philadelphia	0	0	0
59. Washington	0	0	0
60. Atlanta	0	0	0
61. St. Louis	0	0	0
62. Cincinnati	0	0	0
63. Pittsburgh	0	0	0
64. San Diego	0	0	0
65. San Francisco	0	0	0
66. Colorado	0	0	0
67. Arizona	0	0	0
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144. Arizona	0	0	0
145. Texas	0	0	0
146. Philadelphia	0	0	0
147. Washington	0	0	0
148. Atlanta	0	0	0
149. St. Louis	0	0	0
150. Cincinnati	0	0	0



SPORTS

# King of Wrigley Field Brings Dreams to Barrio

By Sylvia Moreno  
Washington Post Service

**S**AN PEDRO DE MACORIS, Dominican Republic — The first order of business on this hot morning at El Play de Mexico — a baseball park — is to get a scrawny horse out of left field. Roberto Gomez, the coach, orders the first three boys who show up for practice. "Get that horse out of here!"

They romp into knee-high weeds and lead the animal out into the barrio, where it wanders aimlessly among the chickens and children scampering across the deeply rutted dirt road as merengue music blasts out of the window of one of the many ramshackle houses.

This is the field where Sammy Sosa, the Chicago Cubs outfielder who on Sunday hit his 61st and 62nd home runs of the season, got his start, and this is the poverty he escaped. These boys — students at the Sammy Sosa Escuela de Baseball — may not have Sosa's talent, but he has seen to it that they have more opportunities. From computers in the schools to improved well water to baseball instruction, he is changing the face of San Pedro, which has produced more major league baseball players per capita than any other town in history.

"Do you know who Sammy Sosa is?" 17-year-old Simon Soriano, one of the school's students, asks a visitor in Spanish after sending six balls sailing over the "360" painted on the aqua-colored wall behind center field. "I'm going to be just like him."

That is a tall order. Only one other player in major league history (Mark McGwire of the St. Louis Cardinals) has hit as many home runs in one season as Sosa. The two are now tied, having engaged in a friendly race for the record through most of the season, with McGwire first to surpass Roger Maris's total of 61, which had stood as the record for 37 years.

Soriano and his teammates at Sosa's school already have advantages their hero never dreamed of. Sosa was 6 when he went to work, and spent his childhood shining shoes, selling oranges and washing cars for pennies to help his widowed mother support the family of six children. He did not start playing baseball until he was 14, when his older brother, Luis, who saw his brother's raw potential, gave him permission to stop working and allowed him to devote his time to the game.

Sammy swung his way out of crushing poverty — and took his family with him. Today Sosa, 29, has a four-year, \$42.5 million contract with the Cubs, Luis and two sisters run businesses that Sammy helped them establish. He remodeled his grandmother's house, gave his mother, Lucrecia, a new home and took his own wife and children out of this dusty town and into the more affluent Santo Domingo, the Dominican capital.

San Pedro, a crowded coastal town of about 120,000 where cars, motor scooters and horse-drawn carts vie for the right-of-way on rutted roads, sits in the heart of the island's sugar mill industry. But its best-known export is its baseball players. Seven of the 62 Dominicans on the opening day rosters of U.S. teams are from here, and Dominicans far outnumber other foreign-born players in Major League Baseball.

The residents of San Pedro have baseball in their

blood. Kids play pickup ball with broomsticks and rocks, beach balls or balls made of socks and rags. The poorest make gloves out of halved milk cartons.

Baseball is not just the national sport, it is the Dominican dream. "When I'm a man, I'll go to New York to play," says Rafaelito Perez, 9, who has had no schooling and shines shoes to help support his family.

In San Pedro, myths abound as to why Dominicans are successful ballplayers. Some say it is because of a diet that includes cod, crab, cornmeal cakes and sugar cane juice. Some believe that Santeria, a ritual of animal sacrifices and sorcery, helps ballplayers succeed.

Many others say it is simple economics. In a country where wages in the sugar cane fields and sugar refineries may bring between \$100 and \$260 a month.

"Many play to try to get ahead and, therefore, help their families," said Aramis Avila, a former trainer at the Chicago White Sox spring training camp in Sarasota, Florida, who is now a security guard here.

"There's a lot of poverty, and I can tell you that no rich person has made it to the major leagues. It's the poor ones that get there, just like Sammy Sosa."

The Sosa baseball school, opened last November, caters to the poor ones. Boys are chosen, given room and board, training and instruction for free in San Pedro and then showcased to the major league scouts who flock to this Caribbean island. The long-range plan is to offer the boys English classes and classroom instruction on baseball technique, said Juan Francisco Tolentino, an instructor.

**L**UIS SOSA OWNS and operates the school. Because it receives commissions when students are signed by major league teams, Sammy Sosa cannot own the school or profit from it.

"These boys may not look like much, but they have the potential to develop," said Julian Jose, another instructor who also grew up with the Sosas and played minor league ball. "Sosa's desire is to help them because he didn't have that."

Since the school opened, five teenagers have been signed by four major league organizations (the Cubs, the New York Mets, the Houston Astros and the Arizona Diamondbacks) for amounts ranging from \$7,000 to \$15,000, Jose said.

They will play on their summer league teams on the island, and if they work hard and are disciplined — as Jose repeatedly tells the boys — they can make their way through baseball's intricate farm system and into the major leagues.

"In these boys, it's the desire, not just to work, but the fervent desire to get to the major leagues that helps," Jose said. "They have little education, poor economic circumstances, problems at home, the street, girls — all those barriers."

"It's very difficult. But the goal, that love of baseball, has helped them break all the barriers they had to get here."

And what fuels that desire?

"The majority of us are poor. We have to work more to get the family ahead," said Soriano, who dreams of making it to the Cubs or the New York Yankees. Then he could buy a vehicle for his widowed father and for each of his five brothers and sisters, and a house big

enough to shelter them all.

The baseball school is but one of several Sosa projects in San Pedro. In recent years, Sosa has funded the installation of almost a dozen water wells and donated 200 computers for the public schools. He built a two-story retail center called Plaza 30-30 ("30-30" is a statistical designation for players who hit 30 homers and steal 30 bases in a season; Sosa first accomplished that feat in 1993).

**S**OSA also has lavished much of his wealth on his family. He, his wife and four children live in a grand house in Santo Domingo and own an array of luxury cars, including a Ferrari and a Rolls-Royce. But he still returns to San Pedro, about an hour and a half east, for batting practice during the offseason and makes himself accessible to the locals.

A few years ago, he paid for the reconstruction of the four-room wooden house of his grandmother, Rosa Julia Sosa, who lives in nearby Consuelo. In her small living room, a huge religious picture far outshines a color photo of Sammy. But on the front exterior of her house, Rosa Julia Sosa, 85, glued a magazine article about Sammy and his family with a headline that reads, in Spanish, "Money Isn't Everything."

"I feel proud because he was a humble boy and today he's become a great professional," she said.

Sosa's mother, Lucrecia, 59, once lived in a two-room hovel with her six children after Sosa's father, Juan Bautista Montero, died of a heart attack in 1975. She turned to selling lottery tickets and making food to sell on street corners to factory workers to help support the family. Last year for Mother's Day, Sosa gave her an eight-room, eight-bath, two-story stucco house. Sosa salutes his mother after every home run by touching his heart and blowing kisses. "Everything I need, he gives me," Lucrecia Sosa said. "He's a very good son, a good brother and a good father."

The race between Sosa and McGwire for the home run record is noted daily on the front pages of local newspapers, which run seven to nine pages on Major League Baseball alone. Although the country's three national political parties are in a bitter battle for power and President Leonel Fernandez Reyna is vying with a newly elected opposition Senate, all eyes and ears are on Sosa and McGwire.

Many people here believe that Sosa will be ahead of McGwire when the season ends. But already there has been cause for celebration. This year Sosa broke the single-season home run record by a Latino American player (47), shared by Juan Gonzalez of Puerto Rico (1996), Andres Galarraga of Venezuela (1996) and George Bell (1987), another San Pedro native.

Sosa's arrival in the Dominican Republic at the end of the season has been greeted in the past with parades, car caravans and daylong festivities in San Pedro. This year, the plans for his homecoming are already under way. But the celebration may be held a little later than in seasons past, because the often hard-luck Cubs have a chance to make the playoffs for the first time since 1989. Asked how his home country was responding to his incredible season, Sosa said: "Oh, you don't want to know. When I have a lot of good friends and family in my country that are going crazy."



Sammy Sosa launching his 62d homer of the season out of Wrigley Field.

## Yanks' Swoon Continues

The Associated Press

David Cone, bidding for his first 20-victory season in 10 years, was strymled as the Toronto Blue Jays rallied for a 5-3 triumph over the New York Yankees and moved within three games of Boston in the AL wild-card race.

The victory Sunday gave Toronto its third triumph in four games over the best Yankees, and with their 14th victory in 16 games, the Blue Jays are as close to the Red Sox as they have been since May 30.

New York, meanwhile, continued its

land finished off a three-game sweep. Even Steve Avery's turn in the rotation could end the Red Sox slide, with Tony Clark's tie-breaking three-run homer leading Detroit.

**Indians 6, White Sox 3** Richie Sexson hit a two-out, three-run homer in the eighth inning as host Cleveland avoided a sweep at the hands of Chicago.

**Mariners-Royals** The Seattle-Kansas City contest was canceled because of rain. The game will not be made up since it was the final contest scheduled between the two.

### BASEBALL ROUNDUP

late-season slide. The Yankees are 5-8 in their last 13 and 11-14 in their last 25 games. Derek Jeter drove in two runs for New York.

Kelvim Escobar (6-2) allowed three runs and five hits in 5½ innings, and Toronto's bullpen combined for scoreless relief the rest of the way. Dan Plesac struck out Paul O'Neill with two runners on in the seventh, and Robert Person, Toronto's fifth reliever, pitched the ninth for his fourth save.

**Bears 10, Rangers 5** Wade Boggs hit his fourth career grand slam, and host Tampa Bay again played the spoiler role.

The expansion team took two of three games from Texas, which remained one game behind division-leading Anaheim in the AL West after the Angels' loss to Baltimore.

Juan Gonzalez of the Rangers became the first AL player since 1949 to reach 150 RBIs in a season. His 42d homer, a two-run shot, gave him 151 RBIs.

**Orioles 12, Angels 7** In Baltimore, Rafael Palmeiro had three hits and drove in the go-ahead run as the Orioles squandered a six-run lead before completing a three-game sweep.

**Athletics 9, Twins 6** In Minneapolis, Ben Grieve hit a three-run homer off Rick Aguilera (3-8) in the 12th as Oak-

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## SOSA: 'It's Unbelievable,' Cubs' Slugger Says as He Catches McGwire With Homer No. 62

Continued from Page 1

from a milk carton in San Pedro de Macoris, now has all the momentum. "After Sosa's record-tying blast, it took three curtain calls to sate the overflow crowd of 40,846, the largest this year at Wrigley. The crowd roared for five minutes until the game resumed, and huzzed for an hour after with chants of 'Sammy! Sammy!'"

After the game, Sosa conducted interviews in two languages and received congratulatory phone calls from Randy Maris, one of Roger's sons, and from Bud Selig, the commissioner of baseball and an owner of the Milwaukee Brewers.

"It's unbelievable," Sosa said graciously in words that echoed McGwire's after he hit his 62d homer. "I have to say what I did is for the people of Chicago, for America, for my mother, for my wife, my kids and the people I have around me." He went on to name even the manager of the opposing team.

Sosa would have had another chance

for a home run Sunday if the veteran Mark Grace had not hit one to beat the Brewers in the 10th inning, 11-10. Sosa, who, would, have, batted, next, was so happy he hugged the umpire.

"I'm sorry that I hit that home run. Sammy couldn't come up to the plate," Grace said.

For Chicago baseball fans, the significant event of the day was when the Cubs raised the "W" flag above the scoreboard for a victory. Chicago stayed one game ahead of the New York Mets in the competition for the final spot in the National League playoffs. The Mets also won a close one, 1-0, in Montreal. The Cubs have not played a postseason game since 1989.

When asked how he felt about the homers, Sosa said, "I have a good feeling we're going to make it to the playoffs."

As McGwire broke Maris's record Sept. 8, Sosa might have begun trying too hard to hit home runs. He went five days without coming close to a homer, McGwire was the toast of the world with 62,

and Sosa remained four back at 58, the race conceded even by Sosa, who admitted to declare, "Mark is the man."

The foul-pole, grades at Wrigley Field disagree on Sosa's patience.

Billy Williams, the Hall of Famer and Cubs coach, whose No. 26 hangs from the right field pole, said: "You could see it a few times in Pittsburgh and St. Louis; overswinging a bit. All the hoopla above the home runs has to get in your way."

Ernie Banks, the Hall of Famer whose No. 14 hangs from the left field pole, gently disagreed. "He's not pressing. He's landed it extremely well."

Sosa showed grace over the weekend by muting his celebration. After he hit No. 60 on Saturday, he didn't even smile, instead just waved his cap to the crowd and took his seat. But when Orlando Merced hit the game-winning homer in the ninth, Sosa was the first to home plate. On Sunday, he helped carry Grace off the field.

Both of Sosa's home runs Sunday sailed over the ivy-covered wall in left

field, over the fence, and over Waveland Avenue beyond. After each impact, Sosa made his trademark leap of exultation and clenched his fists. No member of the Brewers offered a pat on the back or applauded, as the Cubs had done for McGwire when he broke the record in St. Louis against them.

One of the balls bounced down an alley. Two fans said they had it, but it was grabbed by someone who ran off. Police officers hustled away a man who had a baseball, but it was unclear how he would be able to authenticate his fortune. Major League Baseball had not marked these game balls, as was done when McGwire reached 60.

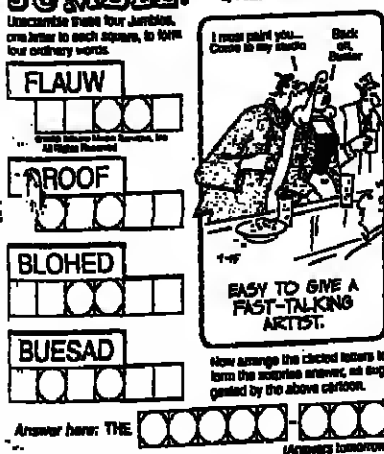
Could Sosa end up with more homers than McGwire? After Sunday, he had 12 games left, McGwire 13. Both sluggers will face the weak-pitching Brewers and the powerful Astros. Sosa also draws the first-place San Diego Padres and the lowly Cincinnati Reds, while McGwire plays two weak teams, the Pittsburgh Pirates and the Montreal Expos.

### DENNIS THE MENACE



"HE CAN'T READ, DOESN'T KNOW ONE KEY FROM THE OTHER, BUT HE RUNS THE COMPUTER BETTER THAN I DO."

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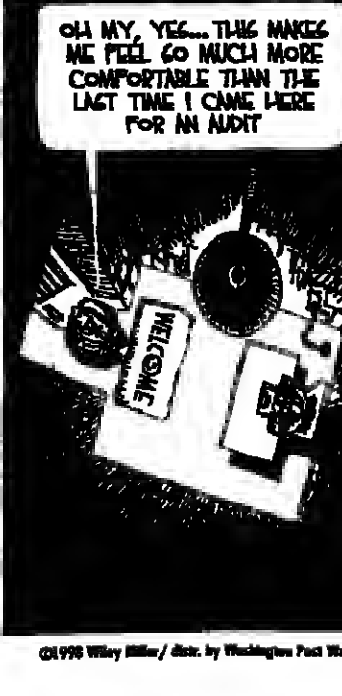
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## ART BUCHWALD

## Bugs in Boxes

NEW YORK — Last Wednesday we were standing up by the Capitol when the vans pulled up with 36 boxes. The man next to me said, "What's in the boxes?" I said, "I believe one of the boxes has a dress in it." "Whose dress?" "I have no idea. It might be returned for altering." "He said, 'What's in that other box?'" "I think a Secret Service man. A small one, of course. Ken Starr wants to make sure that all the evidence is delivered in Congress, and he has to produce at least one Secret Service man in a box to make his evidence credible." "What else is in them?" "Linda Tripp's tapes. They're so hot that they are in a fireproof box. You can hear voices coming out of them."



Buchwald

"Why does Starr need so many boxes for one homicide-and-misdemeanors case?" "He gathered so much evidence from the grand jury that he decided to put it in all those boxes."

## 'Wonderland' Wins at Deauville

Agence France-Presse

DEAUVILLE, France — A comedy made a double scoop at the 24th Deauville film festival, as the grand jury opted for a film it thought would touch a broad public. "Next Stop, Wonderland," the second feature film by Brad Anderson, took both the Grand Prize for American Independent Cinema and the Public Prize. Lisa Cholodenko's "High Art" took the Jury's Prize, while the Critics' Prize went to Bill Condon's "Gods and Monsters."

The 10-person jury was presided over by the French director Jean-Paul Rappeneau, who made "Cyrano de Bergerac," and featured the actors Ewan McGregor and Liam Neeson and the American writer Russell Banks.

## Music Doesn't Pay in Russia — at Least in Money

By Michael R. Gordon  
New York Times Service

MOSCOW — Vladislav Bulakhov and his young 16-piece chamber orchestra were a big hit when they performed at Moscow's prestigious conservatory this month. The seats were sold out. The concert hall reverberated with ovations.

Yet The Seasons, as the orchestra is known, walked away without a kopeck to show for its polished performance. All the ticket sales went to pay the rent for the concert hall.

Russia's artists have never had it easy. With the ruble gyrating like a yo-yo, their already difficult existence has become even more tenuous.

Corporate sponsors have vanished. Well-paid gigs for businesses have dried up. Prices have soared. But Russians are still flocking to concerts, and Bulakhov's orchestra is determined to survive. This is how it gets by.

Dmitri Dolganov, a slender 25-year-old cellist who sports a ponytail, earns about \$150 in \$250 a month from his work in the orchestra — barely enough to cover his rent.

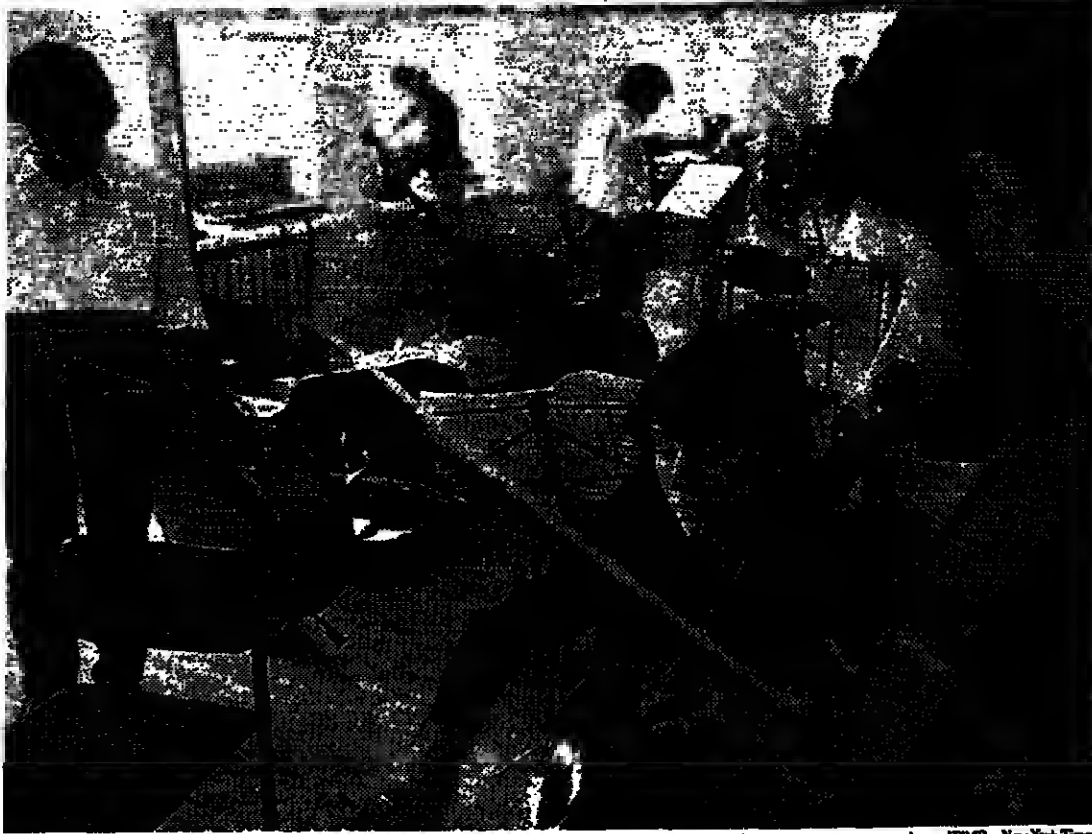
So he plays his cello for handouts in an underground passage near the subway stop for the Lenin Library, a stone's throw from the Kremlin, sometimes earning as little as 30 rubles a day — \$2 to \$3 at current exchange rates.

Alexander Balashov, who plays the viola, lives with his parents and younger brother in a three-room apartment, and works after-hours at recording studios for \$10 to \$15 a session. Balashov, 25, uses his modest income to help support the family.

Lyudmila Ryzhova, 45, the first violinist, gives music lessons for paltry sums.

"The success of this orchestra is the main goal in my life," she said matter-of-factly. "I will do everything so that it can survive."

None of them finds anything ex-



A cellist and violinist of The Seasons chamber orchestra rehearsing a Tchaikovsky piece.

traordinary about the daily struggle to get by. This is not just how many of Russia's superbly trained music students live. It is also how many performers make it after they "arrive."

"People who are driven by music have a way to deal with these difficult times," said Mark Algalbiyants, a bearded 37-year-old from Yerevan, Armenia, who plays the double bass. "When we play, we are carried away from these problems. We live beyond our problems four hours a day."

Russia's economic and political convulsions have not shaken its position as a cultural superpower. Moscow has world-class opera. Its theaters are packed. Russian parents still send their children to music schools, where they study their instrument with iron discipline.

When Moscow's stock market was soaring and companies were competing to buy state-owned enterprises, the mini-boom helped buoy performing artists. Now that the bubble has burst, life is tougher than ever.

This is not to say things have ever been easy for The Seasons. When Bulakhov founded his orchestra in 1994, he knew he would have to improvise to get by.

The orchestra practices in a weather-beaten House of Culture at a Moscow factory — a building used in Soviet times for cultural activities. It repays the factory by giving free performances.

To perform in Moscow's prestigious Tchaikovsky Conservatory, the orchestra must pay the rent in advance — \$2,000 for an evening at the small auditorium and \$5,000 in the large, ornate concert hall, dominated by portraits of the great composers.

A sold-out performance barely covers the rent. The orchestra makes money only when banks and other sponsors help pick up the tab. Even when sponsors cannot be found, however, it plays, for the prestige.

Raising ticket prices is not an option. Some of the best seats in the house can be had for 30 rubles a ticket, about \$2 to \$3 at current rates.

"Our fans are from the middle class and intelligentsia," Bulakhov

said. "To spend 30 rubles a ticket is quite a lot for a family."

To get by, the orchestra has occasionally secured credits from Mosconcert and persuaded Russian companies to help underwrite its CD recordings.

Sometimes the orchestra books up a celebrated Russian or foreign soloist, earning about \$100 for the effort. Occasionally, it has played at receptions or concerts for Russian banks.

Few among the 16-member orchestra try to live on their music. Some play in several orchestras, hoping to join foreign tours, where they can receive \$30 to \$40 a day.

Kirill Anisimov, 28, who plays the viola, came to Moscow from Petrozavodsk, northwest of the capital. He used to make \$200 a month playing for business groups. Since the ruble collapsed last month, however, he has not received any offers.

"People sometimes say that artists should be hungry," he said. "I guess the permanent crisis in Russia breeds good artists. Still, a musician should have clothes and be fed."

The 30-year-old Bulakhov is married to a musician and has two young daughters. After he graduated from one of Russia's best music schools, his father taught him how to be a conductor.

His family, however, has never been rich and he is not panicked by the latest crisis. "Now that the ruble is over, there is nothing left to buy," he quipped.

His major problem now is arranging a performance in late October to inaugurate the new concert season. It will feature Beethoven, Tchaikovsky and one of the city's most promising young pianists — that is, if Bulakhov can raise the \$5,000 for the concert hall.

But he is convinced that one way or another the concert will proceed. "It will take place anyway," he said. "There is such a thing as trust in Russia. They may allow us to pay them back later."

## PEOPLE



The cast of "Frasier" with their Emmy Award for best comedy series.

DURING the Cold War, while the FBI was investigating the followers of Karl Marx, it was also focusing its attention on another Marx, Groucho, a professor at the University of California writes in this week's issue of The Nation. Jon Wiener obtained 186 pages of Marx's FBI file, which spans 27 years, under the Freedom of Information Act. Most of the file, which frequently misspells Groucho, concerns a copyright lawsuit unrelated to politics, the article says, and 14 of its pages have been blacked out. But parts give details of the comedian's activities in leftist causes in Hollywood during the 1930s and '40s. One memorandum to J. Edgar Hoover, the FBI's director, written in 1953, notes that a member of the Communist Party in San Diego "recently remarked to a confidential informant that Groucho Marx contributes heavily to CP." But the memorandum also says that a Los Angeles informant states that "Marx was never affiliated with CP." Marx's son, Arthur Marx, said his father, who died in 1977 at the age of 87, had never been a Communist.

"He was all his life a Democrat," Marx said. "He was one of the founders of the Screen Actors Guild, which was probably one of the reasons for them looking into his activities."

NBC's "Frasier" won a record fifth consecutive award as best comedy series and its stars Kelsey Grammer

and David Hyde Pierce took home acting trophies at the 50th Annual Primetime Emmy Awards. And life got even better for Helen Hunt, who won best actress honors for her role as Jamie Buchman on NBC's "Mad About You," six months after winning an Oscar for "As Good As It Gets." A taut legal series that struggled in the ratings for ABC, "The Practice," was honored

as best drama. Awards for outstanding lead performances in drama series went to Christine Lahti of "Chicago Hope" and Andre Braugher of "Homicide: Life on the Street."

The Spice Girl Mel Brown, known as Mel B, married the dancer Jimmy Galt on Sunday in a church in Little Marlow, England, then celebrated with friends, family and the three other Spice Girls next door at her country mansion.

## The Mystery of the New Christie Novel

New York Times Service

NEW YORK — Agatha Christie died in 1976. Yet on Tuesday, her birthday, "Black Coffee," a new Christie novel, will be published by St. Martin's Press.

Is it a mystery? Well, the novel surely is. "Black Coffee" draws Hercule Poirot in Surrey in the spring of 1934 to investigate the death of a physicist and the disappearance of a critical formula.

But if Christie is long dead and a new Poirot novel appears, whodunnit? Answer: Charles Osborne of London, a Christie biographer, critic and erstwhile actor who appeared in a 1956 revival of "Black Coffee," which Christie wrote in 1930, probably in dissatisfaction with "Alibi," someone else's stage adaptation of her "Murder of Roger Ackroyd." Osborne won permission from the estate to turn "Black Coffee" into a novel. End of mini-mystery.

The British composer Andrew Lloyd Webber plans to stage a new musical based on a boy's doll, Action Man. A spokesman for Lloyd Webber, whose hits in London and on Broadway include "Cats" and "Jesus Christ Superstar," said the plot revolves around Action Man setting out to defeat the forces of Dr. X, while dodging Ninja warriors, hooded riders on rocket bikes, blizzards and hurricanes in his quest to find the Omega Stone and save the world.



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